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Chairman Ajit Pai
Commissioner Michael O'Rielly
Commissioner Brendan Carr
Commissioner Jessica Rosenworcel
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: MB Docket No. 05-311. Second Further Notice of Proposed Rulemaking. Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as Amended by the Cable Televisions Consumer Protection and Competition Act of 1992.

Honorable Chairman Pai and Commissioners O'Rielly, Carr, and Rosenworcel:

The City of Richland (City) hereby respectfully submits to the Commission its Reply Comments in the above-mentioned proceeding. The City strongly opposes the tentative conclusions in the Second Further Notice and Proposed Rulemaking (FNPRM). In addition, the City submits this letter in response to the comment submitted by The Internet & Television Association (NCTA).

NCTA alleges in its comment that the City excessively spent its PEG fees leading up to renewal negotiations with Charter Communications, and that most of the money was spent on non-capital items.¹ NCTA wrongly accuses the City of abusing the PEG contributions as support for allowing cable operators to audit a franchising authority's use of its funds. NCTA distorted the facts in order to support its contention that a cable operator should have the right to audit a governmental entity. In fact, had NCTA read the public records that were obtained by Charter, it would have found that the PEG funds were used for capital expenses. NCTA is wrong. The City seeks to set the record straight with this letter.

¹ Comments of NCTA, MB Docket No. 05-311, at 52 at note 144.

A. Introduction

The City entered a four-year franchise term with TCI of Northern New Jersey on September 9, 1998 with an extension for an additional 11 years triggered on the fulfillment of certain I-Net construction commitments.² However, the franchise agreement was subsequently transferred to Charter Communications (Charter), and thus the initial franchise agreement was amended to provide Charter additional time to prepare the I-Net Fiber requirements so that it would be eligible for the additional 11 year extension. As part of the franchise agreement, Charter promised to provide an initial \$250,000 payment for the government channel, plus \$50,000 per year, paid to the City on a quarterly basis for the additional 11-year extension. The City subsequently purchased capital equipment to start its government channel.³ In 2002, Charter completed the required I-Net construction and extended the franchise for an additional 11 years.

Capital equipment for broadcasting infrastructure has a 6-10 year lifespan⁴ so in 2009 the City issued a request for proposals to update its broadcast equipment.⁵ The decision to update the equipment was also due in part to the 2009 FCC mandate that all U.S. television signals be moved from analog systems to digital systems.⁶ The City's original broadcast infrastructure was analog, so the City chose to begin the process of updating its equipment to digital since its analog equipment was nearing the end of its life expectancy and new analog equipment was no longer being made.

In 2011, Charter notified the City of its intent to renew the 2002 franchise agreement.⁷ The franchise renewal negotiations took five years, and during this time, the City upgraded its system to adapt to the FCC mandate and prevent the City from having to piece together old and new technology as the 1999 analog equipment began to fail.

The NCTA comment conveniently neglects this timeline and the facts when making its gross allegation that the City stockpiled PEG funds and excessively spent them just before the renewal negotiations. The record shows that the City prudently decided to update its equipment in order to continue having a quality broadcast system; it did not do so simply to be in a better negotiating position with Charter, as NCTA implies.

Furthermore, the City had over \$100,000 remaining in PEG fees at the end of the initial franchise term, which indicates the exact opposite of what NCTA alleges. In fact, the City had a

² See Attachment A - City of Richland, Ordinance No. 17-98 and 59-99.

³ Attachment B - Letter to Ronald Asplund, Charter Communications, 1999 Public, Educational and Governmental Capital Contributions, Jan. 25, 2000, from Larry Dunbar.

⁴ Best Practice, Estimated Useful Lives of Capital Assets, Government Finance Officers Association, <http://www.gfoa.org/estimated-useful-lives-capital-assets>, last visited Nov. 28, 2018.

⁵ Attachment C - Addendum No.1 to City of Richland's Cable Cast Digital Conversion project, Oct. 23, 2009.

⁶ *Report and Order and Sua Sponte Order on Reconsideration, Implementation of the DTV Delay Act*, MB Docket No. 09-17, (*Implementation of the DTV Delay Act*) paragraph 1.

⁷ Attachment D - Joint letter from Cindy Johnson and Gary Crutchfield, to Marian Jackson, Charter Communications, October 4, 2011.

strong incentive to spend this money prior to renewal because, under the existing franchise terms, any PEG money not spent was intended to be refunded back to Charter subscribers at the end of the franchise term.⁸ However, during the course of the franchise renewal negotiations, Charter and the City agreed that the remaining PEG money should be used for capital-related costs associated with the construction of the new City Hall building. Clearly, the City did not excessively spend its PEG money prior to renewal negotiations as NCTA alleges.

B. The City's capital infrastructure had to be replaced due to age and FCC mandate

The capital equipment at issue was initially purchased in 1999 to start the City's Access Channels and the I-Net.⁹ The total dollar value of the equipment was close to \$250,000. This infrastructure included the construction of the council chamber's broadcast system and other equipment in support of municipal productions, such as analog cameras and parts, videonics power script generator, DSR-20 DVcam edit deck and SDR80 DVcam editor, and DPS Non-linear Edit System.¹⁰ This equipment served the needs of the government channel system, which had to be capable of broadcasting live meetings and taped programs. The typical lifespan for this type of equipment is between 6-10 years.¹¹ Thus, the original 1999 broadcast equipment was dated and nearing its life expectancy when the City issued its RFP in 2009. Moreover, in addition to the age of the existing equipment, new digital broadcast equipment would eventually have been needed anyway in order to comply with the new FCC digital mandate. NCTA's allegation that the PEG money was spent unlawfully or in violation of any federal law is unequivocally wrong.

The City's records clearly indicate that Charter's PEG money was spent on lawful capital costs.¹² The City had \$412,500 in its PEG fund in 2010, when it spent almost \$225,000 to update its broadcast equipment. Because the franchise term did not end until 2013, the City received another three (3) \$50,000 payments per the franchise agreement. The City continued to update its equipment but had over \$100,000 left at the end of the franchise term. Even a cursory skim by NCTA of the public records would have demonstrated that NCTA's allegation is unsupported.

C. The City expended its PEG money over the course of the entire franchise period.

NCTA's allegation that this money was spent excessively in the "years leading up to the [franchise] renewal negotiations" is inaccurate.¹³ The City's records demonstrate that the money was spent over the course of close to fifteen years¹⁴:

⁸ Attachment A - City of Richland, Ordinance No. 17-98, Section 4.7, page 12.

⁹ Attachment B.

¹⁰ See Attachment E for a full list.

¹¹ Best Practice, Estimated Useful Lives of Capital Assets, Government Finance Officers Association, <http://www.gfoa.org/estimated-useful-lives-capital-assets>, last visited Nov. 28, 2018.

¹² See Attachment E.

¹³ Comment of NCTA, at 52, note 144.

¹⁴ See Attachment E for line item descriptions of equipment purchased.

Year	Amount
1998 -2000	\$222,871.53
2001	\$0
2002	\$0
2003	\$6,287.92
2004	\$24,258.83
2005	\$1,737.66
2006	\$16,424.10
2007	\$81,865.79
2008	\$13,899.62
2009	\$9,300.11
2010	\$224,201.60
2011	\$54,649.22
2012	\$0
2013	\$93,328.10

In reality, the argument that the City, or cities generally, are able to wait around until franchise renewal negotiations occur before spending their money is laughable. Cities do not stockpile PEG funds; these are fees that are charged to City citizens in order to fund the needed capital equipment for the PEG channels. In fact, the City used its PEG fund frugally in order to maintain its PEG equipment, and respect that ultimately this equipment is paid for by Richland citizens. This frugality is evidenced by the fact that the City had over \$100,000 remaining upon franchise renewal to be used for the capital expenses related to the new City Hall studio.

D. The City maintains a strong, positive relationship with Charter.

Despite the implication by NCTA that the City and Charter are adversaries, Charter and the City continue to have an amicable relationship. An example of this positive relationship is the current agreement allowing the use of the remaining PEG funds for the new City Hall studio. Cable operators, including Charter, derive significant benefits from partnering with the local communities, including goodwill amongst its subscribers and potential subscribers. Charter is a member of the Richland community, not only by offering these PEG channels on its network (unlike satellite services), but also through its community participation in Rotary Duck Races, Apple Awards for local teachers, Benton Franklin Fair Parade and holiday food drives. The City and Charter, despite what NCTA may imply, have a strong relationship, and the City looks forward to continuing to partner with Charter for years to come.

E. Conclusion

NCTA goes to great lengths to convince the FCC that its tentative conclusions in the FNPRM are valid, but despite the breadth of arguments it presents, NCTA clearly failed to do the barest due diligence to confirm accurate support and evidence for its arguments. The City strongly objects to the implications and arguments made by NCTA for the reasons outlined above, and further objects to the FCC's tentative conclusions in the FNPRM. Without offering any reasoning, the FCC tentatively concludes that non-capital PEG requirements and other franchise considerations should be considered franchise fees because they are, in effect, taxes imposed for the benefit of the local jurisdiction, and thus should be counted towards the monetary 5% cap local jurisdictions are permitted to collect from cable operators. The FCC's interpretations are not only an impermissible construction of the Cable Act, but also result in rendering moot local jurisdiction's statutory authority, which result is directly counter to the intent of the Cable Act.

The FCC's conclusions dismiss over three decades of past precedent, and illegally impacts local jurisdiction's statutory ability to appropriately manage the relationships between themselves, the community, and the cable operators. Though NCTA attempts to bolster the FCC's conclusions, as this comment demonstrates, the support that NCTA relies on to do so is patently incorrect. The City appreciates this opportunity to set the record straight regarding NCTA's incorrect allegation, and strongly urges the FCC to reject the tentative conclusions made in the FNPRM.

Sincerely,



Cynthia D. Reents
City Manager

(attachments)

Attachment A

ORDINANCE NO. 17-98

AN ORDINANCE granting to TCI of Northern New Jersey, Inc., doing business as TCI of Washington, a franchise for the purpose of constructing, maintaining, operating and using a cable system in public streets, alleys and rights-of-way in the City of Richland to provide cable service; providing for the conditions governing the construction, expansion, use, reconstruction, excavation, maintenance and operation of such; providing for a bond and insurance; providing for the regulation of work by others, construction by abutting owners and requiring alteration to conform with public improvements; providing for the provision of public, educational and governmental access channels and an institutional network; providing for the compensation for the privileges conferred under this franchise; providing for accounting and other information; providing for conditions of transfer; providing an indemnity clause; providing for consequences of franchise violations; providing for compliance with existing laws; providing for written acceptance of the terms of this franchise; and providing for an effective date.

WHEREAS, TCI of Northern New Jersey, Inc., doing business as TCI of Washington ("Grantee") has requested a franchise from the City to provide Cable Services (defined below); and

WHEREAS, as a condition of receiving this franchise, Grantee has agreed to abide by the City's current and future lawful policies, ordinances and regulations regarding infrastructure usage, and street-cuts and rights-of-way.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RICHLAND AS FOLLOWS:

SECTION 1. DEFINITIONS

For the purpose of this Franchise the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number and words in the singular number include the plural number. The words "shall" and "will" are mandatory and "may" is permissive. Words not defined herein shall be given the meaning set forth in the Communications Act of 1934 as amended by the Cable Communications Policy Act of 1984, the Cable Television Consumer Protection and Competition Act of 1992, and the Telecommunications Act of 1996, if not defined there, the words shall be given their common and ordinary meaning.

1.1 "Access Channel" means a dedicated channel for public or educational or governmental institutional use, be it audio, video or data, as provided for in Section 611 of the Cable Act.

1.2 "Additional Access Channels," as defined in Section 4.1.

1.3 "Affiliate" means the same as that term is defined in Section 28.02.020, (Definitions) Title 28, Telecommunications Title of the City of Richland Municipal Code.

1.4 "Allocation Percentage" means the number of Franchise Area Subscribers divided by the number of total System Subscribers.

1.5 "Cable Act" means the same as that term is defined in the Cable Communications Policy Act of 1984, 47 U.S.C. §§ 521 et seq., as amended by the Cable Television Consumer Protection and Competition Act of 1992, as further amended by the Telecommunications Act of 1996, as further amended from time to time.

1.6 "Cable Service" shall mean:

- (1) the one-way transmission to subscribers of:
 - (a) video programming, or
 - (b) other programming service, and
- (2) subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.

1.7 "Cable System" means a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service which includes video programming and which is provided to multiple subscribers within a community, but such term does not include (A) a facility that serves only to retransmit the television signals of one (1) or more television broadcast stations; (B) a facility that serves Subscribers without using any Public Rights-of-Way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of Title II of the Communications Act of 1934, except that such facility shall be considered a Cable System to the extent such facility is used in the transmission of video programming directly to subscribers, including but not limited to, an Open Video System, as defined under Federal Law.

1.8 "Channel" means a portion of the electromagnetic frequency spectrum which is capable of delivering both the audio and video portions of a television channel.

1.9 "City" means the City of Richland, a municipality incorporated under the laws of Washington.

1.10 "City Council" means the elected governing body of the City of Richland, Washington.

1.11 "City Property" means the same as that term is defined in Section 28.02.020, (Definitions) Title 28, Telecommunications Title of the City of Richland Municipal Code.

1.12 "City Requirements" means all laws, rules, resolutions, regulations, policies and directives of general application of the City of Richland, in effect at present or to be adopted in the future by the City Council.

1.13 "Closed Channel" is an Access Channel that is not available for receipt by subscribers without special equipment or authorization, on which audio, video and data may be transmitted.

1.14 "Converter" means an electronic device which converts cable channel frequencies which are not normally receivable by some television sets to an appropriate channel which permits a Subscriber to view signals included in the service being delivered, according to a designated tuning or channel selector dial.

1.15 "Control" or "Controlling Interest" means actual working control in whatever manner exercised.

1.16 "City Manager" means the City Manager or any successor, or his or her designee.

1.17 "Days" means calendar days unless otherwise specified.

1.18 "Direct Cost," as defined in Section 7.7.1.

1.19 "Effective Date," as defined in Section 28.

1.20 "Extended Term," as defined in Section 2.2.

1.21 "FCC" refers to the Federal Communications Commission.

1.22 "Franchise" means this contract between the City and Grantee.

1.23 "Franchise Area" means all of the geographic area within which the City of Richland owns or controls the Public Rights-of-Way, at present or in the future, located within the full-purpose annexed areas of the City of Richland.

1.24 "Grantee" means TCI of Northern New Jersey, Inc. doing business as TCI of Washington, or any successor as provided for herein.

1.25 "Gross Revenue" means any and all consideration of any kind or nature, including without limitation, cash or credits received by Grantee or Affiliates which is derived from the operation of Grantee's Cable System to provide Cable Services. It is the intent of the parties to include in the term Gross Revenue all consideration to Grantee and Affiliates to the fullest extent allowed by law. For purposes of this definition, the term "Affiliate" is limited to an entity acting as a cable operator providing a service authorized by this Franchise.

Gross Revenue includes by way of illustration and not limitation, all fees charged Subscribers for any and all Cable Services provided by Grantee over the Cable System, any charges or fees or city utility taxes imposed on the Grantee by the City by this Franchise and taxes imposed on Grantee by Title 5, Licensing and Taxing, § 5.20.090 of the City Code, that are passed through from the Grantee as a line item paid by Subscribers, and all compensation received by Grantee or Affiliates from any source which is derived from the operation of the Cable System to provide Cable Services, such as sales or commissions for any product or services derived from the operation of the Cable System to provide Cable Services and sales or commissions which are paid to Grantee as compensation for promotion or exhibition of any products or services on the Cable System.

Gross Revenue does not include any revenue not actually received, even if billed (e.g., bad debt), nor taxes which are imposed by law directly on the Subscriber but collected by the Grantee and passed on to other governmental entities, such as the local and state sales tax.

Gross Revenue includes an allocated portion of all revenue derived by Grantee or Affiliates pursuant to regional or national compensation arrangements for any service or activity derived from the operation of a Cable System to provide Cable Services in the Franchise Area, e.g. advertising and sale. The allocation shall be based on the number of subscribers in the Franchise Area divided by the total number of subscribers relevant to such regional or national arrangements.

Revenue of an Affiliate derived from the operation of the Cable System to provide Cable Services ~~shall be Gross Revenue~~ to the extent the treatment of such revenue as revenue of Affiliate and not Grantee has the effect of avoiding the payment of franchise fees which would otherwise be paid to the City. In no event shall revenue of an Affiliate be Gross Revenue to the Grantee if such revenue is otherwise subject to franchise fees to be paid to the City.

1.26 "Headend" means a facility for signal reception and/or dissemination on the Cable System including all related equipment such as cable, antennas, wires,

satellite dishes, monitors, switchers, modulators, computers, software, and processors for television Broadcast signals.

1.27 "Incremental Cost," as defined in Section 7.7.3.

1.28 "Indirect Cost," as defined in Section 7.7.2.

1.29 "I-Net Fiber," as defined in Section 7.1.

1.30 "Institutional Network" or "I-Net" means a communications network as provided for in Section 7.

1.31 "Interconnect," "Interconnected" or "Interconnection" means the provision of an electronic linkage between the Grantee's Cable System and any other designated Cable System for the purpose of transmitting PEG Access Channels and I-Net signals to and from the Interconnected cable systems.

1.32 "Normal Operating Conditions" is defined as being those service conditions which are within the control of the Grantee. Those conditions which are ordinarily within the control of the Grantee include, but are not limited to, special promotions, pay-per-view events, rate increase, regular peak or seasonal demand periods, and maintenance or upgrade of the System, except for unscheduled and/or emergency equipment replacement, testing required by the FCC or this Franchise. Those conditions which are not within the control of the Grantee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, programmer originated interruption, and severe weather. The definition of Normal Operating Conditions is relevant in assessing compliance with telephone answering time, installations, service calls, and repair of Service Interruptions.

1.33 "Open Video System" or "OVS" means the same as that term is defined in Section 28.02.020, (Definitions) Title 28, Telecommunications Title of the City of Richland Municipal Code.

1.34 "Open Video Service" means the same as that term is defined in Section 28.02.020, Chapter 28.02 (Definitions) Title 28, of the Code.

1.35 "Person" means any corporation, partnership, proprietorship, individual or organization or any natural person, excluding any governmental entity.

1.36 "Public Rights-of-Way" means the surface, the air space above the surface, and the area below the surface of any public street, highway, lane, path, alley, sidewalk, boulevard, drive, bridge, tunnel, easement or similar property in which the City holds any property interest or exercises any rights of management or control and which, consistent with the purposes for which it was acquired or dedicated, may be used for the installation and maintenance of a Cable System. No reference in this

Franchise to a "Public Right-of-Way" shall be deemed to be a representation or guarantee by the City that its interests or other rights in such property are sufficient to permit its use for the installation and maintenance of a Cable System and/or Transmission Network, and the Grantee shall be deemed to gain only those rights which the City has the right and power to give.

1.37 "Residential Dwelling Unit" means each home, house, building, or other structure that normally accommodates the living quarters of one (1) family, and each apartment, condominium, or co-operative unit that normally accommodates the living quarters of one (1) family in any multiple-unit building or complex of multiple-unit buildings; provided, however, that if the Grantee has not been granted the authority by an owner or association of owners to extend its facilities to individual apartments, condominiums, and co-operative units within the interior of such multiple-unit buildings or complex of multiple-unit buildings, then any such multiple-unit building or complex of multiple-unit buildings shall be considered a single Residential Dwelling Unit.

1.38 "Service Interruption" or "Outage" is defined as being a Cable System malfunction resulting in the loss of picture or sound on one or more channels affecting more than one Subscriber. The definition of Service Interruption or Outage affects the timing of when the Grantee must respond to a Service problem.

1.39 "Standard Drop" means the cable connection between the subscriber's premises and the cable system up to a maximum length of one hundred fifty (150) feet measured from six inches (6") outside the nearest exterior wall of the Subscriber's premises to the Cable System.

1.40 "Subscriber" means any person within the City who lawfully receives any Cable Service delivered by the Cable System.

1.41 "Upstream" means a transmission to a Headend from any other point on the Cable System, including Interconnection points.

SECTION 2. GRANT OF CABLE FRANCHISE

2.1 There is hereby granted, subject to Grantee's acceptance of the terms of this Franchise as provided herein and the City's prompt receipt of monetary compensation for a term as described below, unless otherwise terminated as provided for herein, the non-exclusive right and privilege to have, acquire, construct, expand, reconstruct, maintain, use and operate in, along, across, on, over, through, above and under the Public Rights-of-way of the City, a Cable System to provide Cable Service. In the event the Grantee or its Affiliate either seeks to provide or to allow others to use its Cable System to provide non-cable services, Grantee agrees to obtain all lawfully required city, state or federal permits, consents or franchises or other required authorizations.

2.2 The term of this Franchise shall commence on September 8, 1998 and shall extend for a period of four (4) years from the Effective Date. Grantee may request an extension of the term of this Franchise for an additional eleven (11) years ("Extended Term"), provided that Grantee has complied with the conditions set forth in Section 7 as to the I-Net Fiber requirements and has notified the City of the compliance with Section 7 within eighteen (18) months from the Effective Date of the Franchise, as set forth below. The City may deny the Extended Term only if the Grantee has failed to comply with the conditions set forth in Section 7 and this Section.

Grantee shall have a right to obtain such Extended Term if Grantee is (1) in substantial compliance with the material terms and conditions of this Franchise; and (2) has fully complied with Section 7 concerning the I-Net Fiber requirements, all as affirmatively determined by the City Manager and evidenced in the City Manager's written report to the City Council.

2.3 Nothing in this Franchise shall authorize Grantee to attach any part of its Cable System to any City Property or infrastructure or to use any City-owned conduits or facilities until Grantee has all required agreements, permits, licenses from the City, supported by independent consideration, for such rights of attachment or use.

2.4 Any other Franchise granted by the City which allows the provision of Cable Service shall be on a competitively neutral basis, taking into account without limitation Grantee's obligations with respect to PEG Access and the Institutional Network. To the extent within the City's control, this provision shall apply to all other similarly situated multichannel video providers, including without limitation, open video system providers.

SECTION 3. SERVICE AVAILABILITY

3.1 Throughout the term of this Franchise, the Grantee covenants and agrees to construct, operate, maintain and upgrade the Cable System so as to make all Cable Services distributed over the Cable System available to any person within the Franchise Area in accordance with the terms, schedule, sequence and procedures established in this Franchise, except for any such service which is provided on a test basis and provided, however, that a new Cable Service may be introduced on a phased basis in different areas of the City over a period no longer than one year. Further, the Grantee and each Affiliated Person shall ensure that access to any Cable Service is not denied to any group of potential Subscribers because of the income of the residents of the area in which such group resides or geographic location (subject to Section 3.2). It shall be the right of all Subscribers to receive continuously all available Cable Services insofar as their financial and other obligations to the Grantee are honored. The Grantee shall continuously monitor the implementation of the commitments set forth in this Section.

3.2 Line Extension Policy. Grantee shall extend its cable system in the Franchise Area pursuant to the following requirements:

3.2.1 Grantee shall extend its cable system and make cable service available to every existing residential area within the Franchise Area, if requested, whenever density of at least thirty (30) Residential Dwelling Units for overhead construction and forty-five (45) Residential Dwelling Units for underground construction per cable mile (or any proportionate amount thereof measured over a shorter or longer distance) is realized, as measured from the existing facilities of Grantee's cable system in the Franchise Area. For purposes of this section, density per cable mile shall be computed by dividing the number of Residential Dwelling Units in the area by the length, in miles or fractions thereof, of the total amount of aerial or underground cable necessary to make service available to the Residential Dwelling Units in such area in accordance with Grantee's system design parameters. The cable length shall be measured from the nearest point of access to the then-existing system, provided that extension is technically feasible from that point of access, and located within the Public Rights-of-Way. The total cable length shall exclude the drop cable necessary to serve individual Subscriber premises.

3.2.2 Grantee shall extend its cable system necessary for the provision of cable service and make cable service available to any business in the Franchise Area when the business subscriber agrees to pay for the labor costs incurred and materials used in making the extension.

SECTION 4. PROVISION OF ACCESS CHANNELS AND ACCESS SUPPORT

4.1 Minimum Channel Capacity. In addition to the current two (2) Access Channels in the Franchise Area, one being currently activated as Channel 13, within ninety (90) days after the City Manager request, the Grantee shall activate the second and a third Access Channel in the Franchise Area, for a total of three activated Access Channels. Of the three activated Access Channels, the City Manager shall dedicate one channel for Public use, one for Governmental use and one for Educational use. The Grantee shall make available to the City and to be activated within ninety (90) days after a request of the City Manager when the utilization requirements of Section 4.5 are met, provided that written documentation is presented that evidences meeting the utilization criteria, up to two (2) additional activated Access Channels in the Franchise Area ("Additional Access Channels"), but with no more than one of the Additional Access Channels being a Public Access Channel. However, in no event shall there be more than a total of five (5) activated Access Channels. The City Manager shall, in accordance with the provisions this Section determine the number of Access Channels to be used and allocate to various entities access to the Access Channels in the Franchise Area to meet their requirements. The request by the institution or

organization must provide the City Manager with sufficient plans for operating expenses, technical configuration, channel use, and public purpose. In the event that making available a Channel for Access Channel purposes requires displacement of other programming, the City shall give Grantee at least 90 days written notice. The Grantee shall provide the interconnection and electronics on the Cable System such that "live" or videotaped programming may be cablecast via Access Channels from the Central Fire Station from the Effective Date and from Richland City Hall by March 1, 1999, from Washington State University by July 1, 1999, and at one additional site selected by the City, taking due consideration that the cost for such electronics on the Cable System is comparable to the expenses for the electronics on the Cable System allowing cablecasting from the Richland City Hall and from the Washington State University sites. The Grantee shall not be responsible for the electronics on site, or any other customer premises equipment for such cablecast.

4.2 Allocation of PEG Channels. The City Manager may designate Access Channel use in the Franchise Area for use by educational or governmental access users or organizations at its sole discretion, including order and priority of programming. The City Manager may designate one Access Channel dedicated exclusively for either educational or governmental uses or may combine users on a shared basis on activated Access Channels in the Franchise Area.

4.3 Rights to PEG Programming. Grantee shall have no rights to Access Channel Programming by virtue of cablecasting or distributing such programming over its Cable System, except for Grantee's right to transmit such programming to all the Subscribers receiving a signal from the Cable System headend serving the Richland Franchise Area. All rights to programming content and intellectual property of any type transmitted by Grantee shall remain the property of the owner/programmer, regardless of the individual or entity requesting transmission. No intellectual property transmitted over Access Channels or bandwidth shall be retransmitted by Grantee or any Affiliates in whole or in part without the consent of its owner.

4.4 Use of Public, Educational and Governmental Channels. The Access Channels in the Franchise Area shall be placed under the authority of the City Manager for use related to governmental and educational purposes. Grantee will manage and coordinate individual public programming, subject to the City's reservation of exercising its rights over such public programming in accordance with the Cable Act, after one hundred and eighty (180) days' notice. Access Channel use may include sponsorships and underwriting but with acknowledgment of those sponsors or underwriters being limited to a print in alpha numeric style, as reasonably agreed to by the parties. No restrictions shall be placed on the use of these Access Channels for a public purpose of a governmental entity or curriculum requirement of an educational institution, except as provided in this Franchise or by law. Except as provided by law, Grantee shall not exercise editorial control over programming of any Access Channel. At no time shall the Grantee interrupt at its headend or hub site the signal provided on any Access

Channel without the express consent of the City, except in circumstances beyond Grantee's control.

4.4.1 In addition to the current Closed Channel at the Central Fire Station, 90 days after the acceptance of this Franchise, the City Manager may, from time to time, restrict the cablecast of one or more Access Channels by use of a scrambling device (or similar equipment) to allow reception only at selected locations to provide Closed Channels to be accessed at those locations. Grantee shall furnish all equipment necessary sixty (60) days after the City Manager request for use of the Closed Channel at City designated facilities, but not to exceed 100 such descrambling devices and no more than two scrambling devices of the type currently in use.

4.4.2 Bi-Directional Usage. In the event Grantee has the technical ability and available capacity to provide two-way communications for data or other use to the subscriber network, beyond that currently available, it may allow the City to have such bi-directional access to the subscriber network, to the extent it is available after Grantee's own use, for meter reading and for utility load control uses, and such other uses mutually agreed upon by the parties. In the event there is a charge for such bi-directional usage, the City will be charged at the Grantee's most favorable rate, subject to acceptance by the City.

4.5 PEG Activation Utilization Criteria: For the purposes of this Section, the following shall apply:

Additional Access Channels may be activated, upon request by the City Manager, when the average daily use of the existing:

4.5.1 Governmental and Educational Access Channels are used for access purposes with non-commercial Governmental and Educational programming of any type that is distinct and non-repetitive during six of the fifteen hours between 7:00 a.m. and 10:00 p.m., during any consecutive ten (10) week period.

4.5.2 Public-Access Channels are used for access purposes with non-commercial public programming of any type that is distinct and non-repetitive during twelve of the fifteen hours between 7:00 a.m. and 10:00 p.m., during any consecutive ten (10) week period.

4.5.3 Except for character-generated announcements, the programming of additional Access Channels required shall be distinct and non-repetitive of the previous Access Channel. Based upon this

criteria, the Grantee shall, within ninety (90) days following a request by the City Manager, provide another designated Access Channel in the Franchise Area for this purpose. The City Manager shall have the right to designate whether each such additional Channel will be utilized in whole or in part for public access, educational, or government programming.

4.5.4 Minimum Usage. Additional Access Channels must carry a minimum annual average of four (4) hours per day of non-commercial video programming that is distinct and non-repetitive, five (5) days per week, beginning six (6) months after activation of the channel and thereafter. If an Additional Access Channel fails to meet the continuing criteria of programmed usage for one hundred eighty (180) continuous days of operation, such channel shall revert to the Grantee for whatever use it deems appropriate, until the City can demonstrate that the minimum utilization criteria set forth herein will be achieved, however, the City may not request reactivation of such a channel no sooner than thirty (30) months after such reversion to Grantee.

4.6 Access Channel Resources. Grantee shall provide the following:

4.6.1 Staffing and Equipment. The Grantee shall provide the technical advice necessary to transmit access programming on the Access Channels as directed by the City, as applicable, on an as-needed basis. Grantee shall provide on a timely and as needed basis use of its studio and all necessary equipment for access users to produce and edit programming, upon reasonable advance notice. Grantee shall repair and replace any damaged equipment of Grantee, except for equipment damaged due to the neglect or improper use by an access user. Such staff and equipment shall be available during normal business hours at no charge to the access user and at other times for a reasonable and fair charge consistent with making access studio and/or equipment widely available. For the purposes of this Section, normal business hours shall be considered to be the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday, excluding legal holidays.

4.6.2 With respect to City access, the Grantee shall provide up to forty (40) hours per month of use in the aggregate of the Grantee's studio, remote production van, equipment, staffing and technical services for production of live and video taped Educational and Governmental programs ("Studio, staff and equipment time"). Remote location use of the van requires fourteen (14) days prior notice by the City. The City will reimburse Grantee's actual

production costs in excess of forty (40) hours averaged monthly. Grantee shall provide such equipment and facilities to allow live cablecast from the City Council Chambers, Washington State University, and at one additional site selected by the City, on an Access Channel (and/or on the I-net if provided for by the Grantee). Sixty (60) days after the City has the ability to cablecast live or with videotapes from the City Council Chambers, the studio staff and equipment time shall be reduced to no more than twenty (20) hours per month thereafter with reimbursement in excess of twenty (20) hours per month.

- 4.6.3 Training. Grantee shall provide up to four (4), four (4) day workshops of training with no more than eight (8) City personnel in attendance at any one workshop, with ten (10) days' prior notice during the term of this Agreement. At least once every month, the Grantee shall have staff available to conduct free video training workshops for the public, Educational and City personnel of up to seven (7) hours of one day in duration to train access users in the proper use of the studio and production equipment and in proper cable casting technique.

4.7 Grantee Capital Contributions and Other Support for Access Channels. Grantee shall provide funds for production facilities and equipment for Access Channels and the Institutional Network in an amount of \$250,000 during the Franchise Term, and \$50,000 per year, paid pro rata to the City quarterly by the Grantee for the Extended Term, if any, after the initial four (4) years. The initial term funds of \$250,000 will be provided to the City promptly upon request by the City Manager. All such facilities and equipment shall be for the benefit of the City and its residents and shall be subject to the sole control of the City. The City shall provide annually a detailed accounting of the capital expenditures with such funds. At the termination of this Franchise, any unspent funds would be returned to the Grantee to be refunded to the then subscribers on a pro rata basis. Grantee, in its discretion, may pass along such cost as a line item to Subscribers, in accordance with and to the extent allowed by federal law.

Grantee shall continue to provide playback services for the Access Channels originating at Grantee's studio and shall provide and maintain all its equipment, as listed in Section 4.6.1 currently located at 639 North Kellogg, Kennewick, Washington, for Access Channel purposes:

4.8 Agreement as to PEG Contribution. The Grantee acknowledges that all contributions, services, equipment, facilities, support, resources, and other activities to be paid for or supplied by the Grantee pursuant to or in connection with its performance under this Section are for the benefit of all Subscribers and the public. For purposes of this Franchise the Grantee agrees that such contributions, services, equipment, facilities, support, resources, and other things of value are not deemed to be (i)

"payments-in-kind" or involuntary payments chargeable against the compensation to be paid to the City by the Grantee pursuant to Section 14 hereof, or (ii) part of the compensation to be paid to the City by the Grantee pursuant to Section 14. The City shall provide Grantee by August of each year the amount of the capital contributions in Section 4.7 to be expended by the City in the following calendar year for capital expenditures under this Section and Section 7.

4.9 Access Channel Interconnection. For the purpose of making all Access Channels available to all subscribers, Access Channels on Grantee's Cable System shall be capable of being interconnected with other Cable Systems throughout the City, for cablecast of the Access Channels and actual interconnection shall be implemented upon request of the City Manager provided that 1) interconnection is technically feasible; 2) Grantee and the other operator agree upon reasonable interconnection arrangements, including an allocation of the costs of interconnection between Grantee and such other operator that is reasonable in light of the relative benefits and burdens, including consideration of support (capital and operational) provided for Access Channel purposes, including equipment in use for Access Channels purposes at the time of interconnection. Interconnection with multi-channel video providers who are not Cable Systems under the Cable Act shall not be required unless the building where a multi-channel video provider requesting interconnection is in compliance with an open access ordinance to be enacted by the City.

4.10 Demographics Research. The Grantee shall promptly provide to the City copies of any viewership and/or demographics information it obtains from local area surveys concerning Access Channels and results and analyses of that portion of any Subscriber surveys conducted by or at the request of the Grantee which deal with programming on Access Channels, provided, however, that with respect to any such ratings and results and analyses, the Grantee shall redact any personally identifiable information and information concerning other programming services prior to providing such information to the City. The information provided under this subsection may be confidential and shall be subject to applicable law as provided for in Section 15.9.

4.11 Grant of Additional Cable Franchises. In the event that another franchise to offer cable service within the Franchise area is granted by the City of Richland, Grantee's financial obligations under this Section shall be borne in part by such other franchise-holder, so that neither franchise holder is competitively advantaged or disadvantaged. To the extent within the City's control, this provision shall apply to all other similarly situated multichannel video providers including without limitation open video system providers.

SECTION 5. CABLE SERVICE TO COMMUNITY FACILITIES

5.1 Public Primary and Secondary Schools. If requested to do so by the City Manager, within ninety (90) days Grantee shall provide during the life of this Franchise to each accredited primary and secondary public school and accredited private schools

with more than 50 students located in the Franchise Area, and within one hundred fifty (150) feet of the Cable System one (1) free cable television service outlet at the most subscribed service level. Each free outlet shall include a free Converter, if necessary, and maintenance thereof by Grantee. The hardware and the installation thereof for an internal video distribution system requested by primary and secondary public school authorities shall be provided at Grantee's cost. In addition, Grantee will continue to provide the existing free outlets and equipment (as set forth in Exhibit A).

Grantee will, at the City Manager's request, provide an appropriate interface to any internal video distribution system in the school, so long as the school insures that such internal system complies with the FCC's signal leakage and signal quality standards and does not interfere with or adversely affect the Grantee's Cable System, including the upstream capacity. There will be no charge for cable service on any additional outlets in the school except for a pass through of any charge imposed on Grantee by a program supplier, and Grantee may impose a charge for equipment for additional outlets.

5.2 Public Institutions of Higher Education. If requested to do so by the City Manager, within ninety (90) days Grantee shall provide during the life of this Franchise to each campus of a public institution of higher education located within the City of Richland and located within one hundred fifty (150) feet of the Cable System one (1) free cable television service outlet at the most subscribed service level. Each free outlet shall include if necessary a free Converter and maintenance thereof by Grantee. In addition, Grantee will continue to provide the existing free outlets and equipment (as set forth in Exhibit A).

5.3 City Facilities. Upon the request of City Manager, within ninety (90) days the Grantee shall provide during the life of this Franchise to each municipal facility owned or operated by the City, as reasonably selected by the City Manager, and located within the City of Richland and located within one hundred fifty (150) feet of Grantee's Cable System up to three (3) free cable television service outlets at the most subscribed service level. Each free outlet shall include if necessary a free Converter and maintenance thereof by Grantee. All additional cable television hardware and the installation thereof requested by City shall be provided at Grantee's Direct cost. In addition, Grantee will continue to provide the existing free outlets and equipment (as set forth in Exhibit A). The City will pay the expenses to connect from the Cable System to any other City designated facility at its cost, including required customer premises equipment, for purposes of connecting Access Channel(s) or the I-Net to any other City designated facilities, including use for Close Channel.

Grantee will, within ninety (90) days of the City Manager's request, provide an appropriate interface to any internal video distribution system in the City building, so long as the City insures that such internal system complies with the FCC's signal leakage and signal quality standards and does not interfere with or adversely affect the Cable System, including the upstream capacity. There will be no charge for cable

service on any additional outlets in the City facilities except for a pass through of any charge imposed on Grantee by a program supplier, and Grantee may impose a charge for equipment for additional outlets.

SECTION 6. COMMUNITY PROGRAMMING NEEDS

6.1 In addition to the service requirements in this Franchise and the City's Customer Service Standards, Grantee agrees to provide locally produced commercial programming responsive to the Richland community's needs and interest.

6.2 Grantee agrees to air a minimum of twenty (20) hours of locally produced programming per month, some of which may be commercially paid programming. Grantee agrees to use its best efforts to encourage and utilize programs produced by others. Grantee shall make its best efforts to insure that local programming meets the needs of the Benton and Franklin County areas for diverse programming on issues of local interest.

6.3 At the request of the City Manager, but no more than twice, ninety (90) days after such request, the Grantee shall furnish to all subscribers along with their monthly service statement, a list of broad categories of programming, and other services available to Grantee, subject to prior review by the City Manager. The menu to be in the format of a mailback survey for determination of the subscriber's programming preference. The results of the survey are to be provided the City by the Grantee with any proposed change(s) in programming to accommodate subscriber's desired revisions as indicated by the results of the survey.

6.4 The parties expressly agree that the programming described in paragraph 6.2 represent broad categories of video programming within the meaning of 47 U.S.C. 547(b) (2) (B).

6.5 Grantee shall retransmit all closed-captioned signals made available by programmers in conjunction with programming in its line-up and which are provided in order to facilitate viewing by handicapped persons. Grantee shall maintain the necessary head-end equipment to make SAP features available to Subscribers. Grantee's obligations under this subsection do not extend to providing customer premises equipment.

SECTION 7. PROVISION OF INSTITUTIONAL NETWORK

7.1 Institutional Network. To obtain the Extended Term described in Section 2 of the Franchise, Grantee shall provide, install, construct and maintain for the City all the fiber optics cable, wire and other non-premises facilities or equipment ("I-Net Fiber") for the City's Institutional Network within eighteen (18) months after the Effective Date of the Franchise as provided herein. The Institutional Network will include approximately 51 miles of fiber optic cable, utilizing approximately 3.2 miles of existing

and planned City fiber optic cables where appropriate, containing a minimum of 24 fiber strands or as specified by the City. Grantee shall also provide maintenance of the I-Net fiber detailed in this Section. The Grantee shall connect to all public sites as designated by the City in Exhibit A (subject to change of sites by the City due to cost or other consideration) with an I-Net Fiber, capable of bi-directional voice, data and video communications between all connected sites. The City and I-Net users shall be responsible to provide all premises equipment and electronics at their cost and shall operate the Institutional Network.

- 7.1.1 Grantee shall generally use optical fiber in the I-Net Fiber, with all amplifier cascades sufficient to attain a carrier to noise ratio of 46 dB and all applicable FCC standards.
- 7.1.2 Grantee shall include in its design monitoring and testing equipment on the I-Net Fiber so that the City can electronically detect and isolate any Institutional Network malfunctions.
- 7.1.3 Grantee shall include in its design a direct I-Net Fiber connection between Grantee's Headend and the City's telecommunications network control center in order to provide for video feeds and/or data that need to be routed to the Grantee subscriber network Access Channels.
- 7.1.4 The City shall provide the Grantee detailed construction specifications for the I-Net Fiber within ninety (90) days from the Effective Date of this Franchise. Grantee shall meet and confer with the City to clarify any of the construction specifications within ten (10) days. Grantee shall provide the City Manager the design, to include a sufficiently documented estimate of the I-Net Fiber Incremental Cost, by sites as requested by the City, to include designation of portions of the I-Net Fiber that are not lashed to the Grantee's Subscriber's Network but are stand alone extensions from the Grantee's Subscriber Network being constructed to extend fiber from the City designated sites per Exhibit "A" to the Grantee's Subscriber Network, for the above described I-Net Fiber within one hundred ninety (190) days after the Effective Date of this Franchise. The City Manager will review any changes and approve the design as promptly as possible. In the event the Grantee's design is not approved by the City Manager or the Grantee does not accept (by written acceptance) the City's revisions to the design within two hundred fifty (250) days from the Effective Date of this Franchise, the right to obtain the Extended Term is automatically denied. In no event shall the City have any liability for any expenses the Grantee incurs in preparation of such design. Grantee shall commence the I-Net Fiber construction within sixty

(60) days from approval of the design by the City Manager. Grantee shall provide the City with monthly construction updates indicating work completed, planned construction for next month, and projected time-line for project completion in accordance with Exhibit C. The I-Net Fiber shall be fully complete and fully capable of operation within eighteen (18) months after the Effective Date of this Franchise, as tested and verified by the Grantee and approved by the City Manager.

7.2 Maintenance. Grantee shall provide demand maintenance twenty-four hours a day, seven days a week and shall maintain the I-Net Fiber to operate at or above FCC standards at all times. Grantee may charge the City a fee for maintenance of the I-Net ("Maintenance Fee"). The amount of the Maintenance Fee shall be limited to an as needed basis and shall be based upon an hourly service rate as set by the FCC, or a prorated share of any contractor's cost, based upon each parties' relative number of fiber strands. Such Maintenance Fee shall be applied as a credit to the Franchise Fee due the City under Section 14 on the last calendar quarter payment for each year.

Under normal operating conditions, Grantee shall respond to all outage reports within two hours and make necessary repairs within four hours of notification Monday through Friday, 6 a.m. to 10 p.m. through 6 a.m. on Saturday and Sunday. Under normal operating conditions, Grantee shall respond to degradation reports within twenty-four hours.

7.3 I-Net Fiber Ownership and Exclusive Rights: The Grantee shall own the I-Net Fiber that is lashed to and part of or included in the Grantee's Cable System sheath, and the City shall own all other I-Net Fiber, including but not limited to, all current City-owned facilities that may be used in the I-Net and any extensions of facilities for use in the I-Net that are not lashed to or a part of the Grantee's Cable System or in its sheath. The City shall have the irrevocable exclusive right to manage, control and use the I-Net Fiber, as provided herein.

In the event of any transfer, assignment or sale of any ownership interest whatsoever of the I-Net Fiber owned by the Grantee to any successor or other person, the Grantee shall notify the City and the prospective successor or person of the irrevocable rights of the City. In the event such notice is not given, the City may exercise all rights under law, including enjoining the prospective transfer of ownership.

In the event the Grantee is not capable of performing its obligations under this Franchise, or the Franchise is terminated by default or otherwise expires or is not renewed, the City shall have the right of first refusal to acquire the balance of the I-Net Fiber owned by the Grantee, in the event it is to be sold, transferred or assigned separate and apart from the Cable System, at fair market value for a period of sixty (60) days following the date of termination, expiration or non renewal of the Franchise, less

the City's contribution during the Franchise term to the I-Net Fiber, in accordance with 47 U.S.C. § 547 to the extent it applies.

Notwithstanding anything else in this Franchise, this provision and Section 7 shall survive this agreement and be binding on any successor under this Franchise or otherwise, and on whomever has an ownership interest in the I-Net Fiber.

7.3.1 Use.

7.3.1.1 Unless a limit upon use is specified in this Section 7, the I-Net may be used for any communications, in any form, for any non-commercial (a) governmental purpose (proprietary or governmental); (b) educational purpose; (c) public purpose, or for use of the Access Channels on the Subscriber Network. Fees may be charged by the City for use of the I-Net or for the information transmitted via the I-Net. The I-Net may be linked to any other communications network used by the City, or to any I-Net user authorized by the City (or an entity under the City's control). Notwithstanding any other provision of the Franchise, Grantee understands that the schools and libraries in Richland may provide internet services or access to internet services to the public, schools and governmental entities over the I-Net, but it agrees that this use is not a prohibited use, and is allowed.

7.3.1.2 Appropriate uses of the I-Net include, by way of example and not limitation:

- (1)** Transmitting GIS and other data to and from City department and to and from the public.
- (2)** Linking libraries and providing terminals at library locations that allow members of the public to access library databases and other remote databases.
- (3)** Transmitting live and stored instructional materials (whether in the form of data, video, or otherwise) to and from schools and to the public.
- (4)** Providing kiosks where members of the public may access information.
- (5)** Providing video conferencing among governmental and educational locations and to other locations for

governmental and educational purposes such as economic development and distance learning.

- (6) Providing for remote permitting, meter reading, energy management, remote arraignment, utility SCADA (Supervisory Control And Data Acquisition System) and voice traffic to and from the City and I-Net users.

7.3.1.3 The City may designate an entity to manage the I-Net, but if the entity so designated is a person that provides cable service in competition with Grantee in Richland or is the City, then any fees charged to the City or to users shall not exceed the actual cost incurred by the person or the City to manage the I-Net provided, such cost does not include a reasonable profit.

7.4 Interconnection and Extensions. The City reserves the right to make interconnections in extensions or drops by itself or by the Grantee or other contractors, provided that all such interconnections to the Grantee's Network are performed only by the Grantee at competitive commercial rates. The City shall be separately metered for power usage at Grantee's sites for any power to the City's equipment used exclusively on the I-Net.

7.5 Cost. The cost to the City for the installation and construction of the I-Net Fiber shall not exceed the Grantee's Incremental Cost estimate approved in the design (as described herein) of the I-Net Fiber. There shall be no charge by the Grantee to the City or to any other authorized user for the use of the I-Net. The Incremental Cost may be paid by the City over a period of five (5) years, applied as a pro rata credit by the Grantee to each quarterly payment due the City under Section 14. Any maintenance, interconnection or extension costs shall be applied as a credit by the Grantee to each quarterly payment due the City under Section 14, with sufficient documentation for such credits.

7.6 Definition of Direct, Indirect, and Incremental Costs

7.6.1 In respect to the obligation of the City to pay for the cost of I-Net Fiber facilities to be provided by Grantee under this Franchise, the term "Direct Costs" includes only those costs specified in this Section 7 and no indirect costs. "Direct Costs" shall include:

- 7.6.1.1 cost of materials and equipment necessary for construction;

- 7.6.1.2 payments made by Grantee to subcontractors in accordance with the requirements of the subcontracts;**
- 7.6.1.3 wages and salaries and associated taxes and benefits of Grantee's employees performing work on the relevant portion of City-required facilities;**
- 7.6.1.4 sales, excise, and other taxes paid by Grantee on materials, equipment, supplies and services chargeable to the relevant portion of the City-required facilities;**
- 7.6.1.5 any labor force travel expenses directly chargeable to the work on the relevant portion of the City-required facilities;**
- 7.6.1.6 cost of necessary licenses and permit fees, including rights-of-way construction permit fees and inspection fees, if any, related to the relevant portion of the City-required facilities, the City may review the applicability of such City permit fees, such as construction permit fees, construction impact fees, and construction inspection fees for the I-Net Fiber.**
- 7.6.1.7 actual rental costs for the use of any necessary temporary facilities, or special machinery, equipment and hand tools used in the work on the relevant portion of the City-required facilities;**
- 7.6.1.8 that portion directly attributable to this Franchise of premiums for insurance and bonds related to the design and construction of the City-required facilities;**
- 7.6.1.9 any work destroyed or damaged prior to completion, not compensated by insurance or otherwise, sustained by Grantee in connection with the work, provided the damage resulted from causes other than the fault or negligence of Grantee;**
- 7.6.1.10 costs of removal of debris on the relevant portion of the City-required facilities;**
- 7.6.1.11 costs incurred on the relevant portion of the City-required facilities, in taking action to prevent threatened damage, injury, loss in case of an emergency affecting the safety of persons and property;**

7.6.1.12 any additional sole attachment costs to Grantee; and

7.6.1.13 other costs incurred on the relevant portion of the City-required facilities in the performance of the work if, and to the extent, approved in advance in writing by the City.

7.6.2 "Indirect Costs" shall include:

7.6.2.1 salaries and other compensation of Grantee's employees stationed at Grantee's offices other than the work site, except as provided in Section 7.6.1.3;

7.6.2.2 overhead and general expenses, except as may be expressly included in Subsection 7.7.1.3;

7.6.2.3 Grantee's cost of capital (debt and equity); and

7.6.2.4 costs due to the fault or negligence of Grantee, subcontractors, anyone directly or indirectly employed by any of them, or for those whose acts any of them may be liable, including, but not limited to, costs for the correction of damage, defective or nonconforming work, disposal and replacement of materials and equipment incorrectly ordered or supplied, in making good damage to property not forming a part of the work.

7.6.3 "Incremental Costs" are that portion of the Direct Costs solely attributable to the cost of materials of the I-Net Fiber for which the City is responsible for payment under this Franchise. Incremental Costs include only the Direct Costs that would not have been incurred but for the providing of such I-Net Fiber and do not include Indirect Costs. The parties agree the only significant items of Incremental Cost are the fiber strand and splicing. The Incremental Cost of fiber strand shall not exceed \$0.025 per linear foot per strand.

7.7. ~~I-Net Costs not Franchise Fees.~~ The parties agree that there shall be no charge for the I-Net or I-Net Fiber provided by Grantee, other than the charges specified in this Section 7. The parties agree that any costs to the Grantee associated with the I-Net or I-Net Fiber provided by Grantee are not Franchise fees, and fall within one or more of the exceptions to 47 U.S.C. 542(g).

7.8 Notwithstanding any other provision of this Franchise, for any work that the City is obligated to use the Grantee to perform under this Franchise, the Grantee

guarantees that the amount it charges will be consistent with the price the City could obtain through a competitive pricing process.

SECTION 8. CONSTRUCTION WORK REGULATION BY CITY AND UNDERGROUND CONDUIT USE BY GRANTEE

All construction work done by Grantee in connection with the construction, expansion, reconstruction, maintenance or repair of its facilities in the Public Rights-of-Way shall be subject to and governed by all lawful City Requirements, and applicable federal and state rules and regulations. Grantee shall place certain facilities underground and overhead according to applicable City Requirements.

SECTION 9. CABLE SYSTEM COMPLIANCE

9.1 **Quality.** All work involved in the construction, operation, maintenance, repair, upgrade, and removal of the Cable System shall be performed in a safe, thorough and reliable manner using materials of good and durable quality. If, at any time, it is determined by the City or any other agency or authority of competent jurisdiction that any part of the Cable System, including, without limitation, any means used to distribute signals over or within the Cable System, is harmful to the health or safety of any person, then the Grantee shall, at its own cost and expense, promptly correct all such conditions.

9.2 **Technical Specifications of Cable System.** The Grantee shall install all aerial and underground cables and wires in a manner consistent with lawful City Requirements and in compliance with all applicable laws, ordinances, and safety Requirements including but not limited to the Federal Communications Commission, Federal Aviation Administration, National Electric Code, National Electric Safety Code, National Cable Television Association Standards of Good Engineering Practices.

9.3 Tree Trimming.

9.3.1 Upon ten (10) days' written notice provided to the City Manager, except in an emergency of imminent danger to persons or property, the Grantee may trim trees or other vegetation owned by the City or encroaching upon the public rights-of-way to prevent their branches or leaves from touching or otherwise interfering with its wires. All trimming or pruning shall be at the sole cost of the Grantee.

9.3.2 The Grantee may contract for said trimming or pruning services with the City or any person approved by the City prior to the rendering of said services.

9.3.3 The Grantee shall maintain its system in a safe, suitable condition and in good order and repair. If the City finds that clearance requirements of trees and vegetation established pursuant to the National Electric Safety Code are violated, the City shall establish a reasonable time for the Grantee to perform necessary cutting and trimming. If the required work is not done within the established time frame, the City may perform the work itself or have it done and collect all reasonable costs thereof from the Grantee.

9.4 FCC Testing. The Grantee shall maintain for inspection by the City a copy of the final report on each proof of performance test required by Part 76, Subpart K, of the Rules and Regulations of the FCC or any successor regulation or law. If the FCC shall cease to require such tests, or if the FCC's regulations do not apply pursuant to 47 CFR § 76.601(c), the Grantee shall continue to conduct such tests at least once every calendar year (at intervals not to exceed 14 months), and shall maintain the resulting test data on file at its local office for at least five (5) years. The City subsequently may require a full report on any deficiencies as disclosed by the proof of performance test within such reasonable period of time as it may designate.

SECTION 10. WORK BY OTHERS, CONSTRUCTION BY ABUTTING OWNERS, ALTERATION TO CONFORM WITH PUBLIC IMPROVEMENT

10.1 The City reserves the right to lay and permit to be laid, sewer, gas, water, electric and other pipe lines or cables and conduits, and to do and permit to be done, any underground and overhead work, and any attachment, restructuring or changes in aerial facilities that may be deemed necessary or proper by the City Manager in, across, along, over or under any public street, alley or right-of-way occupied by Grantee, and to change any curb or sidewalk or the grade of any street. In permitting such work to be done, the City shall not be liable to Grantee for any damages not directly caused by the willful misconduct or negligence of the City; provided, however, nothing herein shall relieve any other person or entity, including any contractor, subcontractor, or agent from liability for damage to Grantee's Cable System.

10.2 In the event that, during the term of this Franchise, the City authorizes abutting landowners to occupy space under the surface of any public street, alley, or right-of-way, such grant to an abutting landowner shall be subject to the rights herein granted to Grantee. In the event that the City shall close or abandon any public street, alley or right-of-way, which contains any portion of Grantee's Cable System, any conveyance of land contained in such closed or abandoned public street, alley, or right-of-way shall be subject to the rights herein granted.

10.3 During the term of this agreement, Grantee shall be liable for the acts or omissions of any entity used by Grantee (including an Affiliate) when such entity is involved directly or indirectly in the construction and installation of Grantee's Cable

System to the same extent as if the acts or omissions of such entity were the acts or omissions of Grantee.

10.4 Relocation or Removal of Facilities: Within thirty (30) days following written notice from the City, the Grantee shall, at its own expense, temporarily or permanently remove, relocate, change or alter the position of any of its Cable System or other of its facilities that are within the Public Rights-of-Ways whenever the City shall have determined that such removal, relocation, change or alteration is reasonably necessary for:

10.4.1 The construction, repair, maintenance or installation of any City or other public improvement in or upon the Public Rights-of-Way.

10.4.2 The operations of the City or other governmental entity in or upon the Public Rights-of-Way.

10.4.3 This section is not intended to affect or alter any current contractual agreements that the Grantee may have concerning relocation of facilities or recovery of costs from private third parties from relocations requested by such private third parties.

SECTION 11. COMPLIANCE WITH CITY CHARTER

Grantee recognizes, accepts and agrees that the terms, conditions and provisions of this Franchise are subject to the applicable provisions of the Richland City Charter. Any request by Grantee for a modification of this Franchise shall be subject to review by the City Attorney for compliance with the applicable provisions of the City Charter.

SECTION 12. CONSTRUCTION, MAINTENANCE, EXPANSION, RECONSTRUCTION, AND EXCAVATION

12.1 In furtherance of the public interest in safety, health and public welfare and to facilitate the safe management of Public Rights-of-Way, the construction, expansion, reconstruction, excavation, use, maintenance and operation of Grantee's Cable System and property shall be subject to all generally applicable City Requirements and ordinances.

12.2 Upon request by the City, Grantee shall remove and abate any facility that is declared a public hazard to life or property by the City Manager. Grantee and the City shall cooperate to the extent possible to assure continuity of service. If Grantee, after notice, fails or refuses to act, the City may remove or abate the same, at the sole cost and expense of Grantee, all without compensation or liability for damages to Grantee.

12.3 Within one hundred twenty (120) days of completion of each segment of Grantee's facilities, Grantee shall supply the City with a complete set of current drawings for that segment in a format to be prescribed by the City Manager upon the request by the City Manager. Grantee shall provide a complete set of current drawings of Grantee's facilities in the Public Rights-of-Way, in a format to be prescribed by the City Manager upon request. Grantee may exclude proprietary information. Grantee will obtain the City's approval before any relocation of Grantee's Facilities in the Public Rights-of-Way. Such approval shall not be unreasonably withheld.

SECTION 13. CONSUMER SERVICE STANDARDS

The Grantee agrees to abide by the Consumer Service Standards attached as Exhibit "B" and the Consumer Service Reporting Standards attached as Exhibit "C" hereto. In accordance with federal law, the City may promulgate additional or revised Customer Service Standards so long as they are reasonable and allowing the Grantee a reasonable opportunity to comment on such revisions prior to adoption.

SECTION 14. COMPENSATION TO THE CITY

14.1 General Compensation. For the reason that the Public Rights-of-Way to be used by Grantee in the provision of services within the boundaries of the Franchise Area are valuable public properties, acquired and maintained by the City at great expense to its taxpayers, and because the grant to Grantee of the use of said Public Rights-of-Way is a valuable property right without which Grantee would be required to invest substantial capital in right-of-way costs and acquisitions, the Grantee agrees to pay to the City as General Compensation during each year of this Franchise, a franchise fee consisting of five percent (5%) of Grantee's Gross Revenue as defined herein within the Franchise Area. Any other franchise granted by the City to a similarly-situated service provider for services allowed herein shall be granted on a competitively neutral basis.

14.2 Calculation and Payment on a Quarterly Basis of Annual Franchise Fee. Grantee shall pay to the City for each quarter this Franchise remains in effect an amount equal to five percent (5%) of Gross Revenue, referred to as the "Quarterly Payment." Grantee shall make this payment by check or by wire transfer to the account designated by the City Manager by 5:00 P.M. on the forty-fifth (45) day following the close of the calendar quarter for which the Quarterly Payment is calculated, provided that necessary information in order to pay by wire transfer is or has been provided to Grantee at least ten (10) days prior to the payment date. Any necessary prorations shall be made.

14.3 To the extent consistent with federal law, the compensation set forth in this Section shall be exclusive of and in addition to all special assessments and taxes of whatever nature, including, but not limited to, ad valorem taxes, utility taxes, street cut

permits, impact fees, inspection fees and assessments for recovery of costs incurred by the City.

14.4 In the event any Quarterly Payment is made after 5:00 P.M. on the date due, Grantee shall pay a late payment charge of the greater of (i) \$100 or (ii) simple interest at twelve percent (12%) annual percentage rate of the total amount past due.

14.5 Payment of money under this Section shall not in any way limit or impair any of the privileges or regulatory, condemnation, police powers or taxing rights of the City of Richland, whether under this Franchise or otherwise. No acceptance of any payment shall be construed as an accord that the amount paid is the correct amount, nor shall such acceptance be construed as a release of any claim which the City may have for additional sums payable under the provisions of this Section.

14.6 Grantee shall file annually with the City Manager no later than one hundred twenty (120) days after the end of the Grantee's fiscal year, a statement of Gross Revenue for that year within the Franchise Area pursuant to this Franchise. This statement shall present, a detailed classification of Gross Revenue and uncollectible accounts for the year in a reasonable form prescribed by the City Manager after consultation with Grantee.

14.7 Any transaction or arrangement which has the effect of circumventing payment of required franchise fees and/or evasion of payment of franchise fees by non-collection, non-reporting of Gross Revenue, collection of revenues by Affiliates, bartering, or any other means which evade the actual collection of revenues by Grantee for services delivered over the Cable System or businesses Grantee pursues derived from the operation of the Cable System is prohibited.

SECTION 15. ACCOUNTS, RECORDS, REPORTS AND INVESTIGATIONS

15.1 Promptly upon request by the City Manager not later than thirty (30) days, if not reasonably available sooner, Grantee shall provide the City access or copies of its records as to all matters in connection with or affecting the construction, reconstruction, removal, maintenance, operation and repair of Grantee's Cable System (and any other facilities) in the Public Rights-of-Way. The City shall extend the time for provision of such information upon a reasonable showing by Grantee that such extension is justified.

15.2 Grantee shall keep complete and accurate books of accounts and records of its business and operations pursuant to this Franchise in accordance with generally accepted accounting principles. After consultation with Grantee, the City Manager may reasonably require the keeping of additional records or accounts which are reasonably necessary for purposes of identifying, accounting for, and reporting Gross Revenue and uncollectibles for purposes of the Compensation Section 14. To the extent practicable,

Grantee shall keep its books of accounts and records in such a way that identification of revenues by type within the Franchise Area is straightforward.

15.3. In order to determine the Gross Revenue received by the Grantee which in accordance with Section 14 is subject to franchise fee, Grantee agrees that on the same date that payment is made, it will file with the City Manager a certified copy of a report acceptable to the City Manager in sufficient detail to itemize revenues which comprise Gross Revenue. Without limitation on the discretion of the City Manager to require additional information, this report shall:

15.3.1. Incorporate a statement reflecting the market value of all "trade" revenue (revenues from exchanges or barter which do not involve monetary compensation);

15.3.2. Show all local, regional and national advertising revenue allocated to the operation of the Cable System in the Franchise Area in accordance with the Allocation Percentage;

15.3.3. Provide the total number of commercial service accounts by types (e.g., business/multi-family) served by the Grantee using its Cable System, including a broad description of the Cable Services provided.

15.4. The City may, if it sees fit, have the books and records of Grantee examined by a City representative to ascertain the correctness of the reports agreed to be filed herein.

15.5. Grantee shall report to the City such other information relating to this Franchise as the City Manager may reasonably require to demonstrate compliance with the Franchise and shall comply with the City's reasonable determination of forms for reports, the time for reports, the frequency with which any reports are to be made, and if reports are to be made certified.

15.6. Upon the City Manager's thirty (30) day written request, Grantee shall make available to the City, in the Tri-City area during regular business hours, its books and records to examine, audit, review and/or obtain copies of the papers, books, accounts, documents, maps, plans and other records of Grantee pertaining to all revenue derived by Grantee and Affiliates from the operation of the Cable System to provide Cable Service in order to verify the accuracy of payments under Section 14. Grantee shall fully cooperate in making available its records and otherwise assisting in these activities. The City shall extend the time for the provision of such information upon a reasonable showing by Grantee that such extension is justified.

15.6.1 The cost of such audit shall be borne by Grantee if the same results in increasing the Grantee's annual payment to the City by two percent (2%) or more.

15.7 The City Manager may, at any time, make inquiries pertaining to Grantee's performance of the terms and conditions of this Franchise. Grantee shall respond to such inquiries on a timely basis.

15.8 Promptly and timely, Grantee shall provide the City upon request with notices of all petitions, applications, communications and reports submitted to or received from Grantee or Affiliates and the FCC, Securities and Exchange Commission and the appropriate state utility commission, if any, or their successor agencies, relating to any matter affecting the use of Franchise Area Public Rights-of-Way and/or the operation of a Cable System authorized pursuant to this Franchise. Upon written request from City, Grantee shall provide the City Manager with copies of all such documentation.

15.9 The City will maintain confidentiality of information provided by Grantee to the extent permitted by law when Grantee has notified the City of the confidential nature of the information. The City will provide Grantee copies of any Attorney General opinion request under the Washington Open Records Act which pertains to such information.

15.10 City and Grantee will strictly comply with the Federal Privacy of Customer Information Act (47 U.S.C. § 221).

15.11 FCC Filings. The Grantee shall, on a quarterly basis, mail or deliver a list of all filings related to this Franchise it makes with state and federal agencies to the City Manager. Consistent with Section 5.5, the City shall have the right to inspect and copy any such filings.

SECTION 16. ASSIGNMENT OF FRANCHISE

Neither this Franchise, or a substantial portion of the Cable System, or any portion of the I-Net Fiber, held by Grantee for use under this Franchise which are in the Public Rights-of-Way, any rights or privileges of Grantee under this Franchise, either separately or collectively, shall be sold, resold, assigned, transferred or conveyed by Grantee to any other person, firm, Affiliate or entity, without the prior written consent of the City by ordinance or resolution. Such approval shall not be unreasonably withheld. Should the Grantee sell, assign, transfer, convey or otherwise dispose of any of its rights or interests under this Franchise, including Grantee's Cable System or capacity on its Cable System, or attempt to do so, without the City's prior consent, the City may revoke this Franchise for default, in which event all rights and interest of the Grantee shall cease. Any transfer in violation of this Section shall be null and void and unenforceable. Any change of Control of Grantee shall constitute a transfer under this

Section. There shall be a rebuttable presumption of a change of Control of Grantee upon a change of 10% or greater in the ownership of Grantee. A mortgage or other pledge of assets to a bank or lending institution in a bona fide lending transaction shall not be considered an assignment. The Grantee agrees to promptly pay to the City a sum of money sufficient to reimburse it for all reasonable expenses incurred by the City in review of such an assignment or transfer as provided for in this Section.

SECTION 17. VIOLATIONS

17.1. If the City has reason to believe that Grantee is in violation of this Franchise, the City Manager shall notify Grantee in writing of the violation setting forth the nature of such violation. Within thirty (30) days of receipt of such notice, or such longer period specified by the City Manager, Grantee shall respond in writing that the violation has been cured or provide a cure plan or schedule that satisfies the City Manager or provide explanations in refutation or excuse with documentation to support that an alleged violation did not occur.

17.2. Notwithstanding Subsection 17.1 above, Grantee shall be allowed thirty (30) days to cure violations after written notice is received from the City, by taking appropriate steps to comply with the terms of this Franchise ordinance and any lawful regulations. If the nature of the violation is such that it cannot be fully cured within 30 days due to circumstances not under Grantee's control, the period of time in which Grantee must cure the violation shall be extended by the City Manager in writing for such additional time reasonably necessary to complete the cure, provided that (i) Grantee shall have promptly commenced to cure, and (ii) Grantee is diligently pursuing its efforts to cure in the City Manager's reasonable judgment.

17.3. If the violation has not been cured within the time allowed under Subsection 17.2 above, Grantee shall be liable to the City of Richland for liquidated damages for the following violations:

17.3.1. failure to provide and maintain requested Cable Service to any household within the Franchise Area as required by this Franchise: fifteen cents (\$0.15) per affected household, for each day that such failure continues; (not to exceed one thousand dollars (\$1,000) per day);

17.3.2. failure to promptly provide data, documents, reports, bonds, letters of credit, insurance or information to the City, in accordance with Section 15, Section 18 and Section 19: two hundred and fifty dollars (\$250) per day, for each day such failure continues;

17.3.3. failure to provide resources and an Access Channel in strict compliance with Sections 4, 5 and 6 hereof: three hundred dollars (\$300) per day for each day such failure continues;

17.3.4 failure to comply with lawful City Requirements concerning construction in the Public Rights-of-Way: two hundred (\$200) dollars per day for each day such failure continues.

17.3.5 failure to substantially comply with a material requirement of the Customer Service Standards: two hundred (\$200) dollars per day for each day such failure continues.

17.3.6 in the event the Franchise is extended by providing the I-net described in Section 7, failure to comply with Section 7: three hundred (\$300.00) dollars per day.

17.4 Grantee agrees that each of the foregoing failures shall result in injuries to the City and its citizens and institutions, the compensation for which would be difficult to ascertain and to prove. Accordingly Grantee agrees that the foregoing amounts are liquidated damages, not a penalty or forfeiture, and are within one or more exclusions to the term "franchise fee" provided by federal law at 47 U.S.C. 542 (g) (2) (A-D) and therefore in no way part of the compensation paid to the City pursuant to Section 14 herein.

17.5 If Grantee fails to make full and complete payments as required by this Franchise within ten (10) days after receipt of written notice from the City Manager, then the City Manager may immediately withdraw without further notice to Grantee the amount thereof from the letter of credit maintained in accordance with Section 18, except as subject to Section 17.6 below.

17.6 Notwithstanding any other provision of this Franchise, upon Grantee's request, Grantee shall be afforded an opportunity to show that a violation has not occurred, and City Manager may not act under Section 17.5 until the administrative hearing, as provided for herein, is concluded and a determination has been made on whether a violation has occurred. This opportunity shall consist of an administrative hearing upon thirty (30) days' notice before an impartial hearing examiner jointly designated by the City Attorney and Grantee within thirty (30) days of Grantee's request.

If as a result of the administrative hearing, the hearing examiner determines that a violation has not occurred, the City shall pay all of the expenses related to the administrative hearing. If a violation has occurred, Grantee shall pay the expenses. After the conclusion of the administrative hearing either party may seek any and all remedies which it may have at law.

17.7 Upon evidence being received by the City that violations of this Franchise, any City Charter provisions or any ordinances lawfully regulating Grantee in the construction and operation of its Cable System have occurred, or continue to occur

after the thirty (30) day period, and any additional time necessary to cure, as allowed under 17.2, the City may cause an investigation to be made. If the City finds that such a violation continues to exist or has occurred, then the City or Grantee may take any action authorized by law, including forfeiture of this Franchise and a suit in court to compel compliance. In any such proceeding the non-prevailing party shall be required to pay the reasonable expenses incurred by the prevailing party in such suit and all damages and costs (including attorney fees), but Grantee may be allowed, either by the court in the judgment of forfeiture or by order of the City Council, a reasonable time thereafter, as fixed by such judgment or order, to correct the default and pay such expenses, damages and costs as it may be adjudged to pay, and if Grantee does so correct and so pay within such time, forfeiture shall not become effective nor be enforced.

17.8 Failure by the City or the Grantee to enforce any rights under this Franchise does not constitute a waiver of such rights.

SECTION 18. BOND AND LETTER OF CREDIT

18.1 Grantee shall obtain and maintain, at its sole cost and expense, and file with the City Clerk, a corporate surety bond with a surety company authorized to do business in the State of Washington and found acceptable by the City Attorney, in the amount of two hundred thousand (\$200,000) dollars or as required by Title 12 (Right-of-Way Ordinance), whichever is greater, to secure Grantee's performance of its obligations and faithful adherence to all requirements of this Franchise. Grantee shall provide this corporate surety bond at the time of filing the acceptance of this Franchise, as required by Section 28 herein. This bond may be drawn upon by the City in accordance with Section 17.

18.2 Grantee shall also provide a letter of credit on behalf of the City, at a bank acceptable to the City Manager in the amount of one hundred fifty thousand (\$150,000) dollars in a form acceptable to the City Attorney. Said letter of credit is to guarantee payment of liquidated damages as set forth in Section 17. Such letter of credit may be reduced in the amount of fifty thousand (\$50,000) dollars each year for the first two years after the effective date, if there has been full compliance with this Franchise, but in no event shall the letter of credit be reduced to less than \$50,000, except by written authorization by the City Manager.

18.3 The rights reserved to the City with respect to the bond are in addition to all other rights of the City, whether reserved by this Franchise ordinance or authorized by law; and no action, proceeding or exercise of a right with respect to such bond shall affect the City's rights to demand full and faithful performance under this Franchise or limit Grantee's liability for damages.

18.4 The bond shall contain the following endorsement: "It is hereby understood and agreed that this bond may not be canceled by the surety nor any

intention not to renew be exercised by the surety until sixty (60) days after receipt by the City, by registered mail, of written notice of such intent."

SECTION 19. INSURANCE

19.1 Grantee shall obtain and maintain in full force and effect throughout the term of this Franchise insurance in the same amounts as are required in § 28.08.050, of Title 28, of the Telecommunications Ordinance with an insurance company licensed to do business in the State of Washington and acceptable to the City Manager. All companies will be required to be rated A-VII or better by A.M. Best or A or better by Standard and Poors. Grantee shall provide City with proof of such insurance so required at the time of filing the acceptance of Franchise, as required by Section 27 herein. The City reserves the right to review these insurance requirements during the effective period of the Franchise, and to reasonably adjust insurance coverage and their limits when deemed necessary and prudent by the City Manager, based upon changes in statutory law, court decisions, or the claims history of the industry or the Grantee.

19.2 Subject to Grantee's right to maintain reasonable deductibles in such amounts as are approved by the City Manager, Grantee shall obtain and maintain in full force and effect for the duration of this Franchise, at Grantee's sole expense, insurance coverage in the following type and minimum amounts:

19.2.1 Grantee shall obtain and maintain in full force and effect throughout the term of this Franchise insurance in the same amounts as are required in § 28.08.050, of Title 28, of the Telecommunications Ordinance.

19.2.2 Coverage for programming on channels that are directly or indirectly controlled by Grantee for:

- | | |
|------------------------|---|
| • Libel and slander | Combined single limit of |
| • Copyright violations | \$10,000,000 per occurrence or its equivalent |

19.3 The City Manager shall be entitled, upon request and without expense, to receive copies of certificates of insurance evidencing coverage stated above. The City Manager may make any reasonable requests for deletion, revision or modification of particular policy terms, conditions, limitations or exclusions, except where policy provisions are established by law or regulation binding upon either City or Grantee or upon the underwriter for any of such policies. Upon request for deletion, revision or modification by the City Manager, Grantee shall exercise reasonable efforts to accomplish the changes and shall pay the cost thereof.

19.4 Grantee agrees that with respect to the above-required insurance, all insurance certificates will contain the following required provisions:

- Name the City of Richland and its officers, employees, board members and elected representatives as additional insured parties (as the interests of each insured may appear) as to all applicable coverage (except worker's compensation);
- Provide for thirty (30) days notice to the City for cancellation, non-renewal, or material change;
- Provide for notice to the City Manager by certified mail at:

City of Richland, Washington
505 Swift Boulevard
Richland, Washington 99352

19.5 The policy clause "Other Insurance" shall not apply to the City of Richland where the City is an insured on the policy. It is the intention that insurance policies protecting the Grantee and the City shall be primary coverage for all losses covered by the policies.

19.6 Companies issuing the insurance policies shall have no recourse against the City of Richland for payment of any premiums or assessments which all are set at the sole risk of the Grantee. Insurance policies obtained by Grantee shall provide that the issuing company waives all right of recovery by way of subrogation against the City in connection with any damage covered by these policies.

SECTION 20. INDEMNITY

20.1 Grantee shall defend, indemnify and hold City harmless from and against all damages, cost, loss or expense for the repair, replacement, or restoration of City's property, equipment, materials, structures and facilities which are damaged, destroyed or found to be defective as a result of Grantee's negligence, willful misconduct or strict liability.

20.2 Grantee, for itself and its agents, employees, subcontractors, and the agents and employees of said subcontractors, shall defend, indemnify, and hold the City, its successors, assigns, officers, employees and elected officials harmless from and against any and all claims, demands, suits, causes of action, and judgments for: (i) Damage to or loss of the property of any person (including, but not limited to Grantee, its agents, officers, employees and subcontractors, City's agents, officers and employees, and third parties); and/or (ii) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of Grantee, Grantee's subcontractors and City, and third parties), arising out of, incident to, concerning or resulting from the negligence, willful misconduct or strict liability of Grantee, its agents, employees, and/or

subcontractors, in the performance of all activities and services pursuant to this Franchise, no matter how, or to whom, such loss may occur.

20.3 In the event that any such damage, claim or loss is found by a court of competent jurisdiction to be caused by the concurrent fault of both Grantee and City, then Grantee shall indemnify City to the full proportionate extent that Grantee is determined to be at fault. It is the intention of the parties, and Grantee expressly agrees, that the provisions of this section shall not exclude claims, damages, and losses caused in part, but not wholly, by the negligence of City, even if the City is more negligent than Grantee.

20.4 The terms of each contract awarded by Grantee for activities pursuant to this ordinance shall contain Indemnity provisions whereby the contractor shall indemnify City to the same extent as described above.

20.5 City shall give Grantee prompt written notice of any claims or suits. Grantee shall have the right to investigate, defend and compromise same to the extent of its own interests.

SECTION 21. NOTICES

All notices from Grantee to the City pursuant to this Franchise shall be directed to the City Manager at 505 Swift Boulevard, Richland, Washington 99352, or to such officer as designated by the City Manager. All notices to Grantee pursuant to this Franchise shall be to such local corporate officer within the Benton and Franklin County areas designated by Grantee in writing. Grantee shall maintain within the Benton and Franklin County areas throughout the term of this Franchise an address for service of notices by mail. Grantee shall also maintain within the Benton and Franklin County areas a local telephone number operational during normal business hours for the conduct of matters related to this Franchise. Any change in address or telephone number shall be furnished to the City ten (10) days prior to the change.

SECTION 22. FORFEITURE AND TERMINATION

22.1 In addition to all other rights and powers retained by the City under this Franchise or otherwise, the City reserves the right to forfeit and terminate this Franchise and all rights and privileges of Grantee hereunder in the event of a material breach of its terms and conditions, subject to reasonable notice and opportunity to cure, as provided in Section 17.

22.2 The foregoing shall not constitute a material breach if the violation occurs without the fault of Grantee or occurs as a result of circumstances beyond its control. Grantee shall not be excused from performance of any of its obligations under this Franchise by mere economic hardship, nor misfeasance or malfeasance of its directors, officers or employees.

22.3 A termination shall be declared only by a written decision of the City Council, by ordinance, resolution or motion, after an appropriate public proceeding before the City Council, which shall accord the Grantee due process and full opportunity to be heard and to respond to any notice of grounds to terminate. All notice requirements shall be met by providing the Grantee at least fifteen (15) days prior written notice of any public hearing concerning the proposed termination of this Franchise. Such notice shall state the grounds for termination alleged by City.

22.4 The City Council, after public hearing, and upon finding the existence of grounds to terminate, may either declare this Franchise terminated or excuse such grounds upon a showing by the Grantee of mitigating circumstances or good cause for the existence of such grounds.

22.5 Neither Grantee's acceptance of this Franchise, Grantee's appearance before the City Council at any public hearing concerning proposed termination of this Franchise nor any action taken by the City Council as a result of any such public hearing, including a declaration of termination or a finding of grounds to terminate, shall be construed to waive or otherwise affect the Grantee's right to seek judicial determination of the rights and responsibilities of the parties under this Franchise.

SECTION 23. EMERGENCY OVERRIDE

23.1 Emergency Override. The Grantee shall maintain systems, equipment, and procedures permitting preempting of the regular signal on all channels with emergency warning signals originating from the Benton County Emergency Services (BCES). The following stipulations shall apply, except where and to what extent they may be preempted by FCC regulations:

23.2 The Director of the BCES shall determine when the Emergency Cable Override is to be activated in response to actual or impending emergency conditions.

23.3 The Grantee shall provide and maintain all equipment, systems, software, services, security provisions, and procedures required for a fully operational emergency cable override warning system in accordance with FCC rules. Any equipment necessary for activation of the system by the BCES shall be provided by the Grantor. Activation points shall be at the BCES and one other backup point within the Benton or Franklin County area, as mutually agreed upon by the parties.

23.4 The cable override shall consist of audio and crawler text signals as required by the Federal Communications Commission rules governing the new Emergency Alert System (EAS).

23.5 The system shall be tested as determined by the BCES not more than monthly and not less than annually.

Resolution, Resolution No. 61-84, and Rate Regulation Ordinance No. 19-94 are hereby repealed and are no longer in force and effect.

30.3 Attorney's Fees. If any suit or other action is instituted in connection with any controversy arising under this Franchise, the prevailing party shall be entitled to recover all of its costs and expenses including such sum as the Court may judge reasonable for attorney's fees, including fees upon appeal of any judgment or ruling.

30.4 Time is Of the Essence. Time is of the essence of this Franchise and each and all of its provisions in which performance is a factor.

30.5 Remedies Are Cumulative. Any remedies provided for under the terms of this Franchise are not intended to be exclusive but shall be cumulative with all other remedies available to the City at law, in equity, or by statute.


30.6 Grantee Nor City Not a Common Carrier. Nothing in this Franchise or Section 7 (I-Net Section) or by any use of the Access Channels hereof shall be deemed by City or the Grantee to subject the City or Grantee's operations, Cable System, the I-Net services or the use of the Access Channels provided by Grantee under authorization of this Franchise, to regulation as a common carrier within the meaning of applicable state or federal law. In the event a state or federal agency or court deem them such, the City will discontinue or alter its use in such a manner that would be consistent with the intent of the parties that there is no common carrier service or telecommunication services, as defined in state law that would require further authorization by the Grantee or the City.

SECTION 31. This ordinance shall take effect the day following the date of its publication in the official newspaper of the City.

PASSED by the City Council of the City of Richland at a regular meeting this
8th day of September, 1998.


LARRY HALER
Mayor

APPROVED AS TO FORM:


THOMAS O. LAMPSON
City Attorney

Date Published: 9-17-98

ORDINANCE NO. 59-99

AN ORDINANCE approving the proposed amendment to the Cable Communications Franchise, Ordinance No. 17-98.

WHEREAS, the current Cable Television Franchise Ordinance No. 17-98 ("Cable Franchise") was adopted by the City Council of the City of Richland, Washington (the "City") on September 8, 1998; and

WHEREAS, the Cable Franchise was accepted by the cable operator, TCI of Northern New Jersey, Inc., d/b/a TCI of Washington; and

WHEREAS, the Cable Franchise was subsequently transferred to Charter Communications, L.P. ("Grantee"); and

WHEREAS, the Cable Franchise was subsequently amended to provide the Grantee additional time to prepare the I-Net design and cost schedule; and

WHEREAS, Section 7 of the Cable Franchise, entitled, "Provision of Institutional Network," ("I-Net") as amended, provides in subsection 7.1.4 that the Grantee may obtain an additional eleven (11) year term in the event Grantee submits to the City for approval the design of the I-Net by June 25, 1999 ("Design Submittal Date") and that the I-Net design be approved by August 24, 1999 ("Design Approval Date"); and

WHEREAS, the Grantee has not met the requirements of obtaining City design approval of the I-Net as required in the Franchise and has entered into a memorandum of understanding with the City to extend the Design Approval Date to December 15, 1999, that memorandum being in Exhibit "A" which is attached to this Agreement;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richland:

Section 1.01. Section 7.1.4 of the Cable Communications Franchise as enacted by Ordinance No. 17-98 is hereby amended to read as follows:

7.1.4 The City shall provide the Grantee detailed construction specifications for the I-Net Fiber within ninety (90) days from the Effective Date of this Franchise. Grantee shall meet and confer with the City to clarify any of the construction specifications within ten (10) days. Grantee shall provide the City Manager the design, to include a sufficiently documented estimate of the I-Net Fiber Incremental Cost, by sites as requested by the City, to include designation of portions of the I-Net Fiber that are not lashed to the Grantee's Subscriber's Network but are stand alone extensions from the Grantee's Subscriber Network being constructed to extend fiber from the City designated sites per Exhibit "A" to the Grantee's Subscriber Network, for the above described I-Net Fiber by June 25, 1999. The City Manager will review any changes and approve the design as promptly as possible. In the event the Grantee's design is not approved by the City Manager or the Grantee does not accept (by written acceptance) the City's revisions to the design by ~~August 24, 1999~~ December 15, 1999, the right to obtain the Extended Term is automatically denied. In no event shall the City have any liability for any expenses the Grantee incurs in preparation of such design. Grantee shall commence the I-Net Fiber construction within sixty (60) days from approval of the design by the City Manager. Grantee shall provide the City with monthly construction updates indicating work completed, planned construction for the next month, and projected time-line for project completion in accordance with Exhibit C. The I-Net Fiber shall be fully complete and fully capable of operation within eighteen (18) months after the Effective Date of this Franchise, as tested and verified by the Grantee and approved by the City Manager.

Section 1.02. This ordinance shall take effect on the day following the date of its publication in the official newspaper of the City of Richland.

PASSED by the City Council of the City of Richland at a regular meeting on the

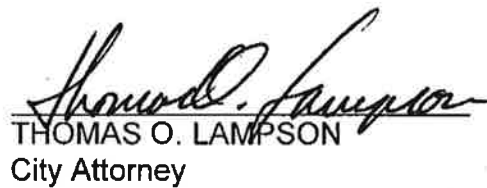
14th day of December, 1999.


LARRY HALER
Mayor

ATTEST:


KENNETH R. BAYS
City Clerk

APPROVED AS TO FORM:


THOMAS O. LAMPSON
City Attorney

Date Published: 12-19-99

Attachment B



505 Swift Blvd. • Box 190 • Richland, Washington 99352 • (509) 942-7390 • FAX (509) 942-5666

BY FAX AND CERTIFIED MAIL

Tuesday, January 25, 2000

Ronald A. Asplund, Regional Manager
Charter Communications Holding Company, L.L.C.
639 North Kellogg
Kennewick, WA 99336

Re: 1999 Public, Educational and Governmental Capital Contribution

Dear Mr. Asplund,

In 1999, the City procured equipment in support of municipal productions. The cost of the equipment was \$12,482.53.

Construction of the council chambers cablecast system was recently completed and final City payment to the contractor is anticipated by 3/1/2000. The cost of the cablecast system is \$210,389.00.

I anticipate the City will expend the remaining capital contribution (approximately \$27,128.47) this calendar year.

As per our franchise, the City will be invoicing Charter for the 1999 capital contribution requesting prompt payment. All invoices will follow City payment and will include a detailed accounting of the capital expenditures.

Sincerely,

Larry D. Dunbar
Resource Management Manager





City of Richland

P.O. Box 190 00-14
Richland, WA 99352

INVOICE

RECEIVED

JUL 21 2000

RESOURCE MANAGEMENT

REQUEST FOR BILLIN

FOR USE BY ACCOUNTING

5/24/00

Invoice Date

31624

Invoice Number

5800

Customer Number

Bill
To:

CHARTER COMMUNICATIONS
RONALD ASPLUND, REGIONAL MANAGER
639 NORTH KELLOGG
KENNEWICK, WA 99336

DESCRIPTION					CHARGES	SUB-TOTAL
PUBLIC, EDUCATIONAL & GOVERNMENTAL CAPITAL CONTRIBUTION-CABLECAST SYSTEM					210,389.00	210,389.00

Fund	Ba/Sub	EI	FPC	Amount	TOTAL:	210,389.00
000	415	92	32192	210,389.00		

LATE CHARGES OF 1% PER MONTH WILL BE
ASSESSED ON UNPAID BALANCE IF INVOICE IS
NOT PAID WITHIN 30 DAYS OF BILLING.
ANNUAL PERCENTAGE 12%

Billing Division: CABLE COMMUNICATIONS

Division Number: ~~000415~~ Date: 5/17/00

Contact Person: PAM COLE

Phone: 942-7436

Billing Requested by: *[Signature]* Dept Head:

White Copy to Accounting

Yellow and Pink Copies to Customer

Goldenrod Copy to Billing Division



City of Richland
P.O. Box 190
Richland, WA 99352

INVOICE

REQUEST FOR BILLING

FOR USE BY ACCOUNTING

Invoice Date

Invoice Number

Customer Number

Bill

To:

Charter Communications Holding Company, LLC
Ronald A. Asplund, Regional Manager
639 North Kellogg
Kennewick, WA 99336

DESCRIPTION					CHARGES	SUB-TOTAL
2000 Public, Educational and Governmental Capital Capital Contribution as per franchise					16,233.69	16,233.69
Fund	Ba/Sub	EI	FPC	Amount	TOTAL:	
000	321	9892		16,233.69	16,233.69	
					LATE CHARGES OF 1% PER MONTH WILL BE ASSESSED ON UNPAID BALANCE IF INVOICE IS NOT PAID WITHIN 30 DAYS OF BILLING. ANNUAL PERCENTAGE 12%	

Billing Division: Public Information Division Number: 403 Date: 9-15-00

Contact Person: Candace Andrews Phone: 942-7386

Billing Requested by: Candace Andrews Dept Head: _____

White Copy to Accounting

Yellow and Pink Copies to Customer

Goldenrod Copy to Billing Division



City of Richland

P.O. Box 190
Richland, WA 99352

INVOICE

REQUEST FOR BILLING

FOR USE BY ACCOUNTING

Invoice Date

Invoice Number

Customer Number

Bill

To: Charter Communications Holding Company, LLC
Ronald A. Asplund, Regional Manager
639 North Kellogg
Kennewick, WA 99336

DESCRIPTION					CHARGES	SUB-TOTAL
2001 Public, Educational and Governmental Refund Capital Contribution as per franchise					1285.31 3128	1285.31
Fund	Ba/Sub	EI	FPC	Amount	TOTAL: \$1285.31	
000	321	92		1285.31	LATE CHARGES OF 1% PER MONTH WILL BE ASSESSED ON UNPAID BALANCE IF INVOICE IS NOT PAID WITHIN 30 DAYS OF BILLING. ANNUAL PERCENTAGE 12%	

Billing Division: Public Information/Cable Division Number: 403 Date: 4-2-01

Contact Person: Candace Andrews Phone: 942-7386

Billing Requested by: Candace Andrews Dept Head: _____

White Copy to Accounting Yellow and Pink Copies to Customer Goldenrod Copy to Billing Division



City of Richland

P.O. Box 190
Richland, WA 99352

INVOICE

REQUEST FOR BILLING

FOR USE BY ACCOUNTING

Invoice Date

Invoice Number

Customer Number

Bill To:

Charles Communications
Ron Asplund, Regional Manager
631 North Killebrew
Bismarck WA 99304

DESCRIPTION					CHARGES	SUB-TOTAL
2001 Public, Police, Fire, and Government Capital Contributions as per invoice						1,270.18
Fund	Ba/Sub	EI	FPC	Amount	TOTAL:	
000	321	92		1,270.18	1,270.18	
					LATE CHARGES OF 1% PER MONTH WILL BE ASSESSED ON UNPAID BALANCE IF INVOICE IS NOT PAID WITHIN 30 DAYS OF BILLING. ANNUAL PERCENTAGE 12%	

Billing Division: PIO/Cable Division Number: 407 Date: 5.29.01
Contact Person: Candace Anderson Phone: 942-7286
Billing Requested by: Candace Anderson Dept Head: _____

White Copy to Accounting

Yellow and Pink Copies to Customer

Goldenrod Copy to Billing Division



City of Richland

P.O. Box 190
Richland, WA 99352

INVOICE

REQUEST FOR BILLING

FOR USE BY ACCOUNTING

Invoice Date

Invoice Number

Customer Number

Bill

To:

Charter Communications
Ron Asplund, Regional Manager
639 North Kellogg
Kennewick, WA 99336

DESCRIPTION					CHARGES	SUB-TOTAL
2001 Public, Educational and governmental Capital Contribution as per franchise						783.61
Fund	Ba/Sub	EI	FPC	Amount	TOTAL:	783.61
000	321	92		783.61		
					LATE CHARGES OF 1% PER MONTH WILL BE ASSESSED ON UNPAID BALANCE IF INVOICE IS NOT PAID WITHIN 30 DAYS OF BILLING. ANNUAL PERCENTAGE 12%	

Billing Division: P10/Cable

Division Number: 403 Date: 12.18.01

Contact Person: Candace Andrews

Phone: 942-7386

Billing Requested by: Candace Andrews

Dept Head: _____

White Copy to Accounting

Yellow and Pink Copies to Customer

Goldenrod Copy to Billing Division



City of Richland

P.O. Box 190
Richland, WA 99352

INVOICE

REQUEST FOR BILLING

FOR USE BY ACCOUNTING

Invoice Date

Invoice Number

Customer Number

Bill To: Charter Communications
Randy Lee, General Manager
639 North Kellogg
Kennewick, WA 99336

DESCRIPTION					CHARGES	SUB-TOTAL
2002 Public Educational governmental (PEG) capital contribution as per franchise invoices attached						
1. LCD monitor (Markertek)						329.00
2. Sequential charger and lithium battery (Bitt)						1542.90
3. Edit system upgrade input mixer, compressor, monitor speakers (Vector)						5118.46
Fund	Ba/Sub	EI	FPC	Amount	TOTAL:	6990.36
501-000-0010-321911-000				6990.36	LATE CHARGES OF 1% PER MONTH WILL BE ASSESSED ON UNPAID BALANCE IF INVOICE IS NOT PAID WITHIN 30 DAYS OF BILLING. ANNUAL PERCENTAGE 12%	

Billing Division: PIO / Cable Division Number: 202 Date: 9.9.02
Contact Person: Candace Andrews Phone: 942-7386
Billing Requested by: Candace Andrews Dept Head: _____

White Copy to Accounting

Yellow and Pink Copies to Customer

Goldenrod Copy to Billing Division

Attachment C

CITY OF RICHLAND
REQUEST for PROPOSALS

RFP No. [Call Purchasing for number]

Project Title: Cable Communications Digital Equipment Conversion

General Information

The City of Richland's CityView cable 13 is a government access cable channel and has been in operation since 1999. Original broadcast equipment is nearing its life expectancy and changes in technology have made much of the equipment obsolete.

The equipment serves the needs of a cablecasting system, which is capable of cablecasting monthly live meetings, and taped programs. Robotic controlled cameras, automatic microphone mixers and on-air graphics allow programs to be produced by 1-2 staff members. Display equipment in council chamber allows for selection and control of document camera, laptop and other video equipment, as well as microphone control and selection. The council equipment can be operated independently from the cablecasting system, for use in non-televised meetings.

Additionally an editing suite and field production equipment are used to produce programs and other non-studio related needs.

Programs are replayed via MPEG 2 files or DVD format. Playback system is automated and feeds the cable company an analog signal via a fiber optics connection. Programming is also streamed live and archived for internet playback of Windows media files.

Purpose

The City of Richland desires to upgrade and replace equipment for means of digital production and transmission, including both SD-SDI and HD-SDI capabilities. Equipment design should reflect limited staffing, space restrictions and need for programmable and automated features.

Additionally equipment should be capable of creating and distributing new technology such as video on demand, interactive media and Web 2.0.

Scope of bid should include replacement or upgrade of council chamber display equipment and automated system. This will include new monitors for audience and council and/or individual monitors at council dais, plus upgrade or replacement of visual display devices.

Technical Information

(An existing equipment list is attached with this Request for Proposal.)

Written technical questions regarding this RFP are preferred and should be directed to Michael Charboneau at City of Richland Cable Communications, MS 39, P.O. Box 190, Richland, WA;

via Fax at (509)942-7600 or through e-mail at mcharboneau@ci.richland.wa.us. Please allow a minimum of two days response time. Phone calls at (509) 942-7398 will be accepted for bona fide questions. Introductions or other conversations by phone will not be accepted.

Funding and Cost

The city has a budget for this project of approximately \$300,000. The city anticipates implementing this project over a three year period. It is anticipated that the contract will be an hourly rate with a not to exceed maximum amount. A cost proposal is required as part of the submission. During the final selection process, the City will discuss available project funds and a firm scope of work that will obtain the City's objectives within the funds available.

Schedule: The City would like all annual work performed under the contract completed by the Vendor within 45 days of receiving the notice to proceed. This schedule shall be negotiated and discussed with the finalist, but the City desires at least preliminary findings suitable for operational and budget considerations by that date.

Vendor Qualifications

There are no minimum qualifications to respond to this request, although the City is seeking a Vendor with an accompanying expertise in broadcast operations and production.

Proposal Submission and Award

Vendor shall submit one signed original two copies of proposal package. All proposals and accompanying documentation will become property of the City and will not be returned. Fax proposals or proposals submitted by e-mail are not acceptable.

Award will be based upon a review and evaluation by a committee consisting of Cable Communications Coordination, Cable Production Assistant and/or other city employees with technical knowledge related to project. Written submittals and oral presentations, if necessary, may be utilized in selecting the winning proposal. The following evaluation criteria, not listed in order of significance will be used:

- General approach and plans to meet the requirements of the RFP as well as overall ability to successfully complete the project within the stated schedule.
- Qualifications and experience of personnel.
- Vendor's past performance on projects of similar size and scope.
- Total project cost.

The final selection, if any, will be that proposal which, in the opinion of the city after review of all submissions by the evaluation committee, best meets the requirements set forth in the RFP and is in the best interest of the City.

Proposals are due no later than _____, _____, 200 at _____ p.m. There will be no "pre-bid conference" or formal "bid opening". Qualifications and Proposals received by the

deadline will be reviewed by the City, and selected firms may be invited to meet with selected city officials to discuss their proposal.

Respondents should allow sufficient delivery time to insure receipt on or before the deadline. Respondents assume the risk for the delivery method chosen. The City assumes no responsibility for delays caused by any delivery service. All submittals and any accompanying documentation become the property of the City, become public information upon receipt and will not be returned. Respondents should allow sufficient delivery time to insure receipt on or before the deadline.

Mail, Hand Delivery or Fed Express to:

US Mail Address

City of Richland
Purchasing Department MS 11
P O Box 190
Richland, WA 99352

Physical Address

City of Richland
Purchasing Department MS 11
2700 Duportail Street
Richland, WA 99352

Contract/Purchase Order

[Contact Contracts Officer if any change language is required]

The scope of work described herein may be authorized by Purchase Order, by Contract or both. If by contract, the City anticipates an hourly contract with a not to exceed figure to accomplish the Scope of Work. The final contract scope and schedule will be negotiated with the selected Vendor. Please note terms and conditions are provided in the sample contract. Vendors should carefully review the Sample Contract to determine the stated requirements and terms.

One original copy of the RFP proposal will require original signature. It must be signed upon submittal. Signature will also be validated through a formal signature as part of the contract document itself.

The City reserves the right to make an award without further discussion of the proposal submitted. Therefore, the proposal should be submitted initially on the most favorable terms which the Vendor can propose. The Vendor shall specifically stipulate that the proposal is predicated upon acceptance of all terms and conditions in the RFP.

Vendor should be prepared to accept this RFP for incorporation into a contract resulting from this RFP. Contract negotiations may provide for the incorporation of the Vendor's proposal. It is understood that the proposal will become a part of the official file on this matter without obligation to the City.

This RFP does not, however, obligate the City to contract for services specified herein.

Timeline

This is to provide interested firms information about the schedule anticipated by the City. This is an estimate only, and may change.

[Add or delete bullets as appropriate]

- RFP release date:
- Submittals due:
- Evaluate proposals

- Interviews (tentative, may or may not be scheduled)
- Announce apparent successful Consultant/Vendor
- Work begins:
- Work completed

Revisions to RFP

The City reserves the right to modify this RFP and/or cancel or reissue this Request in whole or in part, prior to execution of a contract. In the event it becomes necessary to revise any part of the RFP, it shall be the responsibility of the interested firms to obtain a copy of the addendum. The City shall make efforts to reach interested firms, but the responsibility shall be on the firms to insure that they have obtained current material.

Acceptance Period

Submittals shall be good for _____ days from due date of RFP. Firms that take exception to this will be considered non-responsive and will be rejected.

Rejection of Submittals

The City reserves the right at its sole discretion to reject any and all Submittals received without penalty and not to issue a contract as a result of this RFP. The City also reserves the right at its sole discretion to waive minor administrative irregularities contained in any Submittal.

Responsible Consultant Criteria

The City shall consider only responsible Vendors. Responsible Vendors are those that have, in the sole judgment of the City, the financial ability, experience, resources, skills, capability, reliability and integrity necessary to perform the requirements of the contract. The City may also consider references, financial stability, and any other information available to the City. Firms with an owner convicted within the past ten years of a crime that impugns honesty or integrity, or with unsatisfied tax or judgment liens, are ineligible to participate and shall not submit.

The final selection, if any, will be that proposal which, in the opinion of the City after review of all submissions by an evaluation committee, best meets the requirements set forth in the RFP and is in the best interests of the city

Obligation to Contract and Costs

This RFP does not obligate the City to contract for services specified herein. The City will not be liable for any costs incurred by the Vendor in preparation of a Submittal in response to this Request, in conduct of a presentation, or any other activities related to responding to this RFP.

Commitment of Funds

The City Manager and/or Contracts Officer are the only individuals who may legally commit the City to Expenditures of funds for a contract resulting from this RFP. **No cost chargeable to the proposed contract may be incurred before receipt of a fully executed contract.**

Examination of RFP and Contract Documents

The submission of a response shall constitute an acknowledgment, upon which the City of Richland may rely that the Vendor thoroughly examined and is familiar with the requirements and contract documents, and reviewed and inspected all applicable statutes, regulations, ordinances, and resolutions dealing with or related to the work and services to be provided. Failure or neglect of a submitter to examine such documents, work site(s), statutes, regulations, ordinances or resolutions, shall in no way relieve the submitter from any obligations with respect to the offer or to the contract. No claim for additional compensation will be allowed which is based upon a lack of knowledge of the same. A signed contract or purchase order furnished to the successful offer results in a binding contract without further action by either party.

Proprietary Information/Public Disclosure

Material submitted in response to this RFP shall become the property of the City.

All proposals received shall remain confidential until the contract, if any, resulting from this RFP is signed by the City and the Vendor; thereafter the proposal shall be deemed public records as defined in RCW 42.17.250 to .340.

In the event a Vendor desires to claim that portions are exempt from disclosure under the provisions of RCW 42.17.250 to .340, it is incumbent upon the Vendor to identify those portions in the Vendors proposal transmittal letter. The transmittal letter must identify the page and the particular exception(s) from disclosure upon which it is making its claim. Each page claimed to be exempt from disclosure must be clearly identified by the word "confidential" printed on the lower right hand corner of the page.

The City will consider a Vendor's request(s) for exemption from disclosure; however. The City will make a decision predicated upon applicable laws. An assertion by a Vendor that an entire volume of its proposal is exempt from disclosure will not be honored.

Protest Procedure

- Vendors protesting this procurement shall follow the procedure described herein. Protests that do not follow these procedures shall not be considered. This protest procedure constitutes the sole administrative remedy available to Vendors under this procurement.
- All protests must be in writing and signed by the protesting party or an authorized Agent. The protest must state the grounds for the protest with the specific and complete statements of the actions being protested. Protesting parties must demonstrate as part of their protest that they made every reasonable effort within the schedule and procedures of this RFP to resolve the basis of their protest during the acquisition process. A description of the relief or corrective action being requested must also be stated. All protests shall be addressed to the Purchasing Manager/Contracts Officer.
- Only protests stipulating an issue of fact concerning a matter of bias, discrimination or conflict of interest, or non-compliance with procedures described in the RFP document or City policy shall be considered. Protests not based on procedural matters will not be considered.

- Interested Vendors may submit a protest to conditions that are stated in this RFP, if protest is made no later than three (3) completed 8-hour business days prior to Proposal submission deadline. Following that date, Vendors that have not indicated a formal protest to the RFP conditions will waive their right to protest such issues.
- In the event a protest may affect the interest of any Vendor, such Vendor(s) will be given an opportunity to submit its views and any relevant information on the protest to the Purchasing Manager/Contracts Officer.
- Upon receipt of a protest, a protest review will be held by the City to review the procurement process utilized. This is not a review of proposals submitted or the evaluation of scores received. The review is to ensure City policy and procedures were followed, all requirements were met, and all Vendors were treated equally and fairly.
- Following notice of the apparent successful Vendor, Vendors that have submitted a proposal are allowed three (3) business days to file a protest with the City Purchasing Manager/Contracts Officer. Such protests may be regarding issues of award, but all issues regarding the structure of the RFP or anything described within the RFP must have instead been previously filed as described above. After three (3) business days, Vendors waive the right to protest and the City will proceed immediately to award. The Purchasing Manager/Contracts Officer will then consider all the information available and render a written decision within ten (10) business days of receipt of the protest, unless additional time is required. If additional time is required, the protesting party will be notified of the delay. The filing of protest shall not prevent the City from executing a contract with any other vendor.

Communication with the City

All communications regarding this RFP are restricted and may only be made through the Purchasing Manager/Contracts Officer listed below or as directed elsewhere in this RFP. Any oral communications will be considered unofficial and non-binding to the City. The City is not bound by information, clarification, or interpretation from other City officials or employees except as directed in this RFP. Vendors should not contact any City officials or employees other than the Purchasing Manager/Contracts Officer or as directed in this RFP. Failure to observe this requirement may be grounds for rejection of the firm's submittal. Interested firms may submit inquiries to the City prior to the submittal deadline. Following submittal, the City will not receive additional requests, inquiries or information from any Vendor. The only request that the City will accept shall be information regarding the anticipated award date and/or a list of companies that submitted.

Michael R. Mitchell, Purchasing Manager/Contracts Officer
 (509) 942-7327 Fax (509) 942-7397
 Email: mmitchell@ci.richland.wa.us

Submittal Requirements

Vendor is specifically notified that failure to comply with any part of the Request for Proposal may result in rejection of the proposal as non-responsive.

All proposals must be on eight and one-half by eleven (8 ½ X 11) inch paper, with tabs separating major sections. The major sections shall include the **technical specifications (work plan)**, the **management specifications**, and the **cost proposal** section.

Appendix "A" must be signed

At a minimum, the City of Richland requires that Consultant/Vendor proposals address all criteria in this section and the Scope of Work section. Proposals shall be prepared in three (3) parts as follows:

Technical Specifications:

- The technical proposal must contain all work requirements necessary to accomplish the Stages as defined in the Scope of Work section. It will outline the proposed approach, methodology, work plan, and schedules to accomplish the tasks and to produce the deliverables.
- State completely as possible, what the City wants, such as; 1) Description of all project requirements; 2) description of plan to accomplish tasks, study, project, etc.; and 3) required involvement of city staff, if any.
- For each Stage/requirement listed in the Scope of Work provide whether or not vendor can satisfy the requirement. Provide additional information regarding your solution that you deem appropriate.

Management Specifications: The management proposal must contain the following information;

- General and legal information about the individual or firm, including name, legal status, SSI or EIN Number, UBI Number, etc.
- Contact information including address, telephone, email, and fax, etc.
- A Statement of Qualifications of the proposed project team members, including identification of the project manager. Include specific experience in _____. Provide resumes' for all staff to be assigned. Vendor must commit that the staff identified in its proposal will be actually assigned to this project.
- In the event the Vendor intends to subcontract any of the proposed work stated in its proposal, the Vendor shall submit the information required above for each proposed subcontractor.
- A list of at least three client references, including names addresses and telephone numbers and briefly describe the type of service required. Vendor must grant the City permission to contact all references provided.

Cost Proposal:

- Identify all costs Vendor will charge for performing the Stages necessary to accomplish the objectives of this RFP. The costs must breakout all expenses expected to be billed to the City. Provide a cost proposal which includes the estimated number of project work hours by each task/requirement, and the cost of each task/requirement. Include a list of hourly rates of proposed project team members.

Scope of Work

The city anticipates the project to be completed in three stages. Upon completion of each stage detailed as-built document, manuals and other pertinent information in respect to the operation and wiring of the system will be provided. Additionally, training for equipment operation and maintenance will be provided.

Stage 1- Council Chamber and Control Room upgrade and replace

This will include replacement of chamber display devices, audience and council monitors, remote camera operation, wireless audio system, ADA compliant assisted hearing system, and replacement or integration with AMX touch panel controller.

Control room will be replaced with all necessary equipment for council chamber integration and multi-format digital cablecast and production.

Stage 2 – Edit room, field equipment and remote truck upgrade

This will include upgrades to edit room and field equipment for SD-SDI and HD-SDI production, archival footage storage and necessary equipment to production truck for digital recording and transmission.

Stage 3 – Automated cablecast playback and digital storage system

This will include upgrades to automated playback system for digital transmission. This to include multi-format transmission to cable provider and Internet based transmission of live stream and archive media. Equipment should be capable of creating and distributing new technology such as video on demand, interactive media and Web 2.0. Additionally, equipment must integrate with production truck for transmission of live remote signals via network connections, wireless transmission or other alternative mean.

Appendix "A"

Certifications and Assurances

I/we make the following certifications and assurances as a required element of the proposal to which it is attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award or continuation of the related contract(s):

1. The prices and/or data have been determined independently, without consultation, communication, or agreement with others for the purpose of restricting competition. However, I/we may freely join with other persons or organizations for the purpose of presenting a single proposal.
2. The attached proposal is a firm offer for a period of _____ days following receipt, and it may be accepted by the City without further negotiation at any time within the ____-day period.
3. In preparing this proposal, I/we have not been assisted by any current or former employee of the City whose duties relate (or did relate) to this proposal or prospective contract, and who was assisting in other than his or her official public capacity. Neither does such a person nor any member of his or her immediate family have any financial interest in the outcome of this proposal. (Any exceptions to these assurances are described in full detail on a separate page and attached to this document.)
4. I understand that the City will not reimburse me/us for any costs incurred in the preparation of this proposal. All proposals will become the property of the City, and I/we claim no proprietary right to the ideas, writings, items, or samples.
5. I/we warrant that, in connection with this procurement:
 - (a) The price and/or cost data have been arrived at independently, without consultation, communications, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any competition.
 - (b) Unless otherwise required by law, the prices and/or cost data which have been submitted have not been knowingly disclosed by the Consultant/Vendor and will not knowingly be disclosed by him/her prior to opening, in the case of a proposal directly or indirectly to any other competitor.
 - (c) No attempt has been made or will be made by the Consultant/vendor to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

Signature

Date

PURCHASING AGREEMENT BETWEEN CITY AND VENDOR

THIS AGREEMENT, entered into this _____ day of _____, 2009 by and between the City of Richland, 505 Swift Ave., Richland, Washington, (hereinafter called the "City"), and _____ (hereinafter called the "Vendor").

WITNESSETH:

1. GENERAL DESCRIPTION OF WORK:

The vendor shall furnish all services, labor and related equipment necessary to conduct and complete the work as designated elsewhere in this Agreement.

2. SCOPE OF WORK

The Vendor shall provide _____ services for the _____. Services to be provided are detailed in the attached Proposal _____, Exhibit "A" and are made part of this Agreement.

3. GENERAL REQUIREMENTS

The Vendor shall attend coordination meetings, progress and presentation meetings with the City or such Federal, community, State, City, or County officials, groups or individuals as may be requested by the City. The City will provide the Vendor sufficient notice prior to meetings requiring Vendor participation.

4. TIME FOR BEGINNING AND COMPLETION

The Vendor shall not begin any work under the terms of this Agreement until authorized in writing by the City. Vendor agrees to use best efforts to complete all work described under this Agreement by _____, 2009.

5. PAYMENT

The Vendor shall be paid a Lump Sum Amount of _____ Dollars (\$_____), by the City to complete the services rendered under this Agreement. Such payment shall be full compensation for all work performed or services rendered, and for all labor, materials, supplies, equipment, and incidentals necessary to complete the work specified in Section 2, Scope of Work.

The maximum total amount payable, by the City to the Vendor under this Agreement, shall not exceed the above lump sum amount .

Invoices not in dispute by the City will be paid net thirty (30) days from receipt of invoice.

6. EMPLOYMENT

Any and all employees of the Vendor or other persons while engaged in the performance of any work or services required of the Vendor under this Agreement, shall be considered employees of the Vendor only and not of the City, and any and all claims that may or might arise under any Workmen's Compensation Act on behalf of said employees or other persons while so engaged, and any and all claims made by a third party as a consequence of any act or omission on the part of the Vendor's employees or other persons while so engaged on any of the work or services provided to be rendered herein, shall be the sole obligation and responsibility of the vendor.

7. OTHER PARTIES

It is mutually agreed that this Agreement is not transferable by either signatory to a third party without the consent of the other principal party.

9. TERMINATION

This Agreement may be terminated by either party upon thirty (30) days written notice, by registered mail, or mailed to the other party at his usual place of business. In the event this contract is terminated by the Vendor, the City will be entitled to reimbursement of costs occasioned by such termination by the Vendor. In the event the City terminates this Agreement, the City shall pay the Vendor for the work performed, an amount equal to the percentage of completion of the work as mutually agreed between the City and the Vendor.

If any work covered by this Agreement shall be suspended or abandoned by the City before the Vendor has completed the assigned work, the Vendor shall be paid for services performed down to the time of such termination or suspension an amount equal to the costs incurred at the date of termination as mutually agreed upon between the City and the Vendor.

10. DISPUTE RESOLUTION

The City and the Vendor agree to negotiate in good faith for a period of thirty (30) days from the date of notice of all disputes between them prior to exercising their rights under this Agreement, or under law.

All disputes between the City and the Vendor not resolved by negotiation between the parties may be arbitrated only by mutual agreement of the City and the Vendor. If not mutually agreed to resolve the claim by arbitration, the claim will be resolved by legal action. Arbitration of all claims will be in accordance with the Arbitration Rules of the American Arbitration Association.

11. VENUE, APPLICABLE LAW AND PERSONAL JURISDICTION

In the event that either party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this Agreement, the parties hereto agree that any such action shall be initiated in the Superior Court of the State of Washington, situated in Benton County. The parties hereto agree that all questions shall be resolved by application of Washington law and that the parties to

such action shall have the right of appeal from such decision of the Superior Court in accordance with the laws of the State of Washington. The Vendor hereby consents to the personal jurisdiction of the Superior Court of the State of Washington, situated in Benton County.

ATTORNEY'S FEES

Attorney's fees which are reasonable and costs, including those on appeal, if appeal is taken, shall be allowed to the prevailing party by any court hearing a dispute under this Agreement.

13. INSURANCE

The Vendor shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the vendor, its agents, representatives, or employees.

No Limitation. Vendor's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of the Vendor to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

A. Minimum Scope of Insurance

Vendor shall obtain insurance of the types described below:

Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an insured under the Vendor's Commercial General Liability insurance policy with respect to the work performed for the City.

B. Minimum Amounts of Insurance

Vendor shall maintain the following insurance limits:

Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence and a \$1,000,000 general aggregate.

C. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions for Commercial General Liability insurance:

The Vendor's insurance coverage shall be primary insurance as respect the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Vendor's insurance and shall not contribute with it.

The Vendor's insurance shall be endorsed to state that the coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. best rating of not less than A:VII.

E. Verification of Coverage

Vendor shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Vendor before commencement of the work

14. INDEMNIFICATION / HOLD HARMLESS

Vendor shall defend, indemnify, and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

15. STANDARD OF CARE

The professional services will be furnished in accordance with the care and skill ordinarily used by members of the same profession practicing under similar conditions at the same time and in the same locality. The Vendor makes no warranties express or implied, under this Agreement or otherwise, in connection with the Vendor's services.

16. SUCCESSORS OR ASSIGNS

All of the terms, conditions and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that no assignment of the Agreement shall be made without written consent of the parties to the Agreement.

17. EQUAL OPPORTUNITY AGREEMENT

The Vendor agrees that he will not discriminate against any employee or job applicants for work on this Agreement for reasons of race, sex, nationality or religious creed.

18. PARTIAL INVALIDITY

Any provision of this Agreement which is found to be invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability, and the invalidity or unenforceability of such provision shall not affect the validity or enforceability of the remaining provisions hereof.

19. CHANGES OF WORK

The Vendor shall make such changes and revisions in the completed work of this Agreement as necessary to correct or revise any errors, omissions, or other deficiencies in the design, drawings, specifications, reports, and other similar

documents which the vendor is responsible for preparing or furnishing under this Agreement, when required to do so by the City, without additional compensation thereof.

Should the City find it desirable for its own purposes to have previously satisfactorily completed work or parts thereof changed or revised, the Vendor shall make such revisions as directed by the City. This work shall be considered as Extra Work and will be paid for as herein provided under Section 20, Extra Work.

20. EXTRA WORK

The City may desire to have the Vendor perform work or render additional services within the general scope of this Agreement. Such work shall be considered as Extra Work and will be specified in a written supplement to this Agreement which will set forth the nature of the scope, schedule for additional work, additional fees and the method of payment. Work under a supplemental Agreement shall not proceed until authorized in writing by the City.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF RICHLAND, WASHINGTON

VENDOR

MICHAEL R. MITCHELL
Purchasing & Contracts Manager

PURCHASING DEPT. 2700 DUPORTAIL ST., BLDG 100
MAILING ADDRESS: PO BOX 190
PHONE: 509-942-7755 FAX: 509-942-7397

TO: ALL PLANHOLDERS

FROM: MICHAEL R. MITCHELL
CONTRACTS OFFICER

DATE: October 23, 2009

SUBJECT: **ADDENDUM NO. #1**
City of Richland's Cable Cast Digital Conversion project
RFQ 09-004 CABLE

The following changes are hereby made as a part of the Request for Proposal Documents for the **CABLE CAST DIGITAL CONVERSION project, RFQ 09-004 CABLE** as fully and completely as if the same were set forth therein.

ADDENDUM NO.1

Include attached pdf file of the City of Richland's Cable Cast inventory lists; truck, control room and equipment.

Remote Truck Inventory

(Electronic items only, does not include switches, wiring, distributors, fixtures, cabling, etc)

Replacement Schedule

Replacement cost	Quantity	Description
\$11,085.00	3 at \$3695 each	Sony BRC300 remote cameras
\$1,962.00	3 at \$654 each	Sony BRBK-301 SDI camera cards
\$870.00	3 at \$290 each	Bogen 055XWNB/3273 Tripods
\$1,149.00	1	Sony RMBR300 Camera remote control
\$210.00	1	ESE ES-219A blackburst/sync generator
\$16,559.00	1	Broadcast Pix Slate 1000 switcher
\$1,289.00	1	Broadcast Analog Input module
\$449.00	1	Audio Technica ATW-3141 wireless mic system
\$748.00	8 at \$187 each	Audio Technica AT831R Lavalier mics
\$1,349.00	1	JVC SRVM70US DVD/VD/HDD recorder
\$609.00	1	Sony LMD 1410 LCD monitor
\$289.00	1	Yamaha MG16/4 Audio mixer
\$499.00	1	Tascam CD01U CD player
\$1,575.00	1	Sony KDL40W3000 40" Flat panel monitor
\$159.00	1	DBX 266XL audio compressor/gate
\$510.00	2 at \$255 each	Yamaha MSP5A powered studio speakers
\$249.00	1	Viewsonic VA903B 19" LCD monitor
\$715.00	1	Videotek TVM100 waveform/vectorscope
\$115.00	1	Behringer RX1602 8 input line mixer
\$2,100.00	1	MPEG-2 AVN-21 Rackmount encoder
\$1,800.00	1	TVOne TVC2221oSA Scan Converter
\$900.00	1	Eartech EATD904PSUS intercom system

part of tv truck stream

\$34,105.00 Total

Control Room Equipment Inventory

(Electronic items only, does not include switches, wiring, distributors, etc)

Replacement cost	Quantity	Description	Replacement schedule
\$11,000.00	1	Echolab MVS-5 Analog Switcher	potential upgrade by 2010 new in 2009 new in 2009 replaced with Peavey in 2009 replacement for Mackie
\$4,350.00	1	Compix LCG500 Character Generator	
\$475.00	1	Tec Nec LCD rack mount CG monitor	
\$700.00	1	Mackie 1402-VLZPRO Audio Mixer	
\$500.00	1	Peavey PV 20 audio mixer	
\$4,000.00	9 at \$500. each	Panasonic BM-500 5" video monitor	removed from service
\$1,400.00	2 at \$700. each	JVC 9" A/B channel production monitor	
\$1,000.00	1	Gentner DH20 audio/phone bank	
\$1,900.00	1	DPS ES 2200-T dual channel time base corrector	
\$500.00	1	Videotek AMP-800 Production audio playback unit	
\$600.00	1	Altek/Lansing - model 16849 auto microphone mixer	1 removed from service 06 - 1 to TV truck
\$3,600.00	3 at \$1200. each	Shure SCM 810 Auto microphone mixer	
\$600.00	1	Marantz PMD321 CD player	
\$500.00	1	JVC HR55900U SVHS recorder/player	
\$6,000.00	3 at \$3000. each	Sony DVCAM DSR-20 recorder/player	
\$500.00	1	Audiocom US2000A Intercom	new 2004
\$4,400.00	1	Tektronix WVR 500 Waveform	
\$700.00	1	Panasonic DMR E95H DVD recorder	
\$1,600.00	1	Sony Trinitron A/B channel 12" monitor	
\$2,800.00	7 at \$400. each	JVC SVHS HRS3600U recorder/player	
\$500.00	1	Rolls 78B quartz digital tuner	3 removed from service 2006 - 2 in 2008
\$400.00	1	Sabine FBX900 feedback eliminator	
\$400.00	1	Altec/Lansing Model 1431A graphic equalizer	
\$500.00	1	Panasonic 21" color monitor	
\$1,500.00	1	Pentium II workstation	
\$500.00	1	HTS Satellite receiver (Classic Arts feed)	replaced with MPEG automation - 2006 potential upgrade in 2010
\$3,800.00	1	Audio/Video 24 slot patchbay	
\$5,800.00	1	Leightronix nexus Digital MPEG recorder/controller	
\$1,400.00	1	Lacie 1 TB raid array hard drives 300942U	
\$130.00	2 at \$65. each	Sony DVPNs55 DVD players	
\$65.00	1	Sony DVD player DVP-NS57P	part of MPEG automation in 2006 part of MPEG automation in 2006 part of MPEG automation in 2006 added in 2008 part of MPEG automation in 2006 part of MPEG automation in 2006 part of tv truck system
\$3,500.00	1	Niagara 4112nw streaming encoder	
\$2,000.00	1	ocelot 16X16 stereo audio router	
\$2,100.00	1	MPEG-2 - SVS-2--1 Rackmount decoder	
\$69,720.00	Total		

Edit Room Inventory

(Electronic items only, does not include switches, wiring, distributors, fixtures, etc)

Replacement cost	Quantity	Description	Replacement Schedule
\$300.00	1	Behringer MDX 2200 Compressor limiter	
\$8,800.00	1	DSR 80 DVCAM recorder/player	repaired 2008
\$600.00	1	Sony Trinton DVM 14N5U monitor	
\$400.00	1	Behringer MX 1604A audio mixer	
\$600.00	1	Marnatz PMD325 cd player	replacement in 2005
\$24,000.00	1	DPS video editing system	upgraded 2003 - replaced 2008
\$8,275.00	1	Custom built Matrox Axio video edit workstation	replacement for DPS in 2008
		Viewsonic LCD monitor VXX2435WM	replacement for DPS in 2008
\$1,278.00	2 at \$639. each		
\$41,253.00 Total			

Council Chamber Inventory

\$5,000.00	1	AMX Touch screen system (includes audio/video controls)	
\$4,000.00	1	Elmo EV6000AV Document camera	Recall repair 2007
\$600.00	1	Focus TV-Pro Scan Converter	potential replace in 2010
\$1,100.00	1	JVC SVHS SR-S365U player/recorder	potential replace in 2010
\$5,000.00	20 at \$250.each	Shure MX418D/S microphones	
\$500.00	1	Audiocom SS1000 telex intercom	
\$4,000.00	5 at \$800. each	Toshiba CZ32V61 monitors	potential replace in 2010
\$1,600.00	2 at 800. each	Altec/Lansing Model 7500B wireless microphone system	potential replace in 2010
\$200.00	1	Altec/Lansing Power amp model 1407A	potential replace in 2010
\$1,200.00	1	General Instrument DSR-4200V digital satellite receiver	removed from service 2009
\$200.00	1	Sony SLV679HF VHS recorder (Clerks)	
\$23,400.00 Total			

Camera System Inventory

(Electronic items only, does not include switches, wiring, distributors, fixtures, etc)

Replacement cost	Quantity	Description	Replacement Schedule
\$1,800.00	1	Panasonic AW-RR505 camera control panel	
\$2,500.00	1	Panasonic Multiport HB505	
\$10,800.00	4 at \$2700. each	AWE-300 color camera	replaced 2004
\$8,000.00	4 at 2,000 each	AWLZ/14VMD zoom lens	
\$14,000.00	4 at \$ 3500. each	AW-PH300 pan tilt units	replaced 2004
\$3,000.00	4 at \$750. each	AW-PS300 camera control units and power supplies	
\$40,100.00	Total		

Production Equipment Inventory

\$7,000.00	1	Sony DSR-300 production camera	repaired 2004
\$3,000.00	1	Sony DSR-PD150 production camera	
\$600.00	1	Sennheiser EW100 wireless microphone system	
\$1,200.00	1	Lowell Tota 4 system lighting kit	
\$300.00	1	Smith Victor 2 system light kit	
\$550.00	1	BarberTeck EZ Prompter	
\$12,650.00	Total		

\$117,403.00 Grand Total

Attachment D



P.O. Box 190
Richland, WA 99352



P.O. Box 293
Pasco, WA 99301

October 4, 2011

Marian Jackson, Government Relations
Charter Communications
222 NE Park Plaza Drive, Suite 231
Vancouver, WA 98684

Dear Ms. Jackson,

The Cities of Pasco and Richland have retained The Buske Group to provide assistance to them during their franchise renewal process.

Sue Buske, president of The Buske Group, will serve as the senior consultant on the project representing the cities. Connie Cannady, of J Stowe & Company, will perform the franchise fee review on behalf of The Buske Group. Lee Afflerbach, of Columbia Telecommunications Corporation, will conduct the technical evaluation of the cable system on behalf of The Buske Group.

We would like to meet with you and Mr. Antonovich to discuss the renewal process and to answer any questions that you might have regarding how the cities intend to proceed.

Since Ms. Buske will be in Pasco/Richland in late October to start work on the project, we invite you to meet with us on Tuesday, October 25 for an initial conversation. Please let our project manager, Candace Andrews at (509) 942-7386, know if you are available from either 11 a.m. to noon or 1 to 2 p.m. for a meeting at Richland City Hall.

We look forward to meeting with you on October 25 as we begin this mutual process.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Cindy Johnson', is written over the typed name and title.

Cindy Johnson
City Manager, City of Richland

A handwritten signature in blue ink, appearing to read 'Gary Crutchfield', is written over the typed name and title.

Gary Crutchfield
City Manager, City of Pasco



P.O. Box 190
Richland, WA 99352



P.O. Box 293
Pasco, WA 99301

October 4, 2011

Frank Antonovich, Vice President/General Manager
Charter Communications
222 NE Park Plaza Drive #231
Vancouver, WA 98684

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Cindy Johnson
City Manager, City of Richland

A handwritten signature in blue ink, appearing to read 'Gary Crutchfield', is written over the typed name and title.

Gary Crutchfield
City Manager, City of Pasco

Attachment E

CAPITAL EXPENDITURES FOR CABLE FRANCHISE

1/30/2003 AP	14649 0000000	P001238	1448.95 SONY DXF-801WS 1.5" MONO VIEWF
1/30/2003 AP	14649 0000000	P001238	16.4 SHIPPING
1/30/2003 AP	14649 0000000	P001238	479.95 TBC-3000 TIME BASE CORRECTOR
1/30/2003 AP	14649 0000000	P001238	12.95 SHIPPING
3/25/2003 AP	02246 0000000		162.53 USE TAX FOR FEBRUARY 2003
5/22/2003 AP	14649 0000000	P002513	2542.87 DSR-PD150 SONY DVCAMCORDER, 12
5/31/2003	55000005112		1624.27 Computer purchase
TOTAL EXPENDITURES FOR 2003		\$ 6,287.92	
12/1/2004 AP	15612 0000000	P008709	3299.9 HP COMPAQ NOTEBOOK COUNCIL CHAMBER
12/1/2004 AP	15612 0000000	P008709	305.41 233439-002 9X5 NEXT BUSINESS D
12/1/2004 AP	15612 0000000	P008709	129.96 DC367B#ABA PORT REPLICATOR WIT
7/11/2004 AP	14617 0000000	P007256	43.24 SHIPPING FOR UPS GROUND FOR PU
7/11/2004 AP	14617 0000000	P007256	12517.98 PANASONIC 3CCD CAMERA AWE-300A
7/11/2004 AP	14617 0000000	P007256	0.01 ADJUST SALES TAX
7/28/2004 AP	14617 0000000	S002492	320 REPAIR OF SONY DSR-300 S/N 12
7/28/2004 AP	14617 0000000	S002492	192.36 REPAIR PARTS FOR DSR-300
7/28/2004 AP	14617 0000000	S002492	0.01 ADD \$.01 TO SALES TAX
7/28/2004 AP	14617 0000000	S002492	1068 REPAIR CANON YH18X6.7KRS (FACT
8/31/2004 JE	147500000		463.63 COR CODING AP 14617 WRNG BASUB
9/3/2004 AP	17365 0000000	P008123	1089.03 REPAIR AND REPLACEMENT OF
9/3/2004 AP	17365 0000000	P008123	10.88 SHIPPING FOR ITEM 1
9/3/2004 AP	17365 0000000	P008123	10.88 SHIPPING CHARGES FOR ITEM 7
9/3/2004 AP	17365 0000000	P008123	1089.03 REPAIR AND REPLACEMENT OF PANA
10/1/2004 AP	17365 0000000	P008123	1089.03 REPAIR AND REPLACEMENT OF PANA
10/1/2004 AP	17365 0000000	P008123	10.88 SHIPPING CHARGES FOR ITEM #4
10/26/2004 AP	13552 0000000	P008706	274 522322 CDW, MAXTOR ONE TOUCH 2
10/26/2004 AP	13552 0000000	P008706	15.93 FREIGHT
10/27/2004 AP	17365 0000000	P008123	1089.03 REPAIR OF PANASONIC PAN TILT H
10/27/2004 AP	17365 0000000	P008123	10.88 SHIPPING CHARGES FOR ITEM #5
11/10/2004 AP	15114 0000000	P008687	1047.82 54015105KF ADOBE VIDEO COLLECT
11/10/2004 AP	15114 0000000	P008687	83.83 SALES TAX
11/10/2004 AP	15114 0000000	P008688	20.79 22030039 ADOBE ENCORE 1.5 WIN
11/10/2004 AP	15114 0000000	P008688	20.79 25520251 ADOBE PREMIERE PRO 1.
11/10/2004 AP	15114 0000000	P008688	20.79 22070193 ADOBE AFTER EFFECTS P
11/10/2004 AP	15114 0000000	P008688	4.98 SALES/USE TAX
11/10/2004 AP	15114 0000000	P008688	3.74 SHIPPING & HANDLING
11/10/2004 AP	15114 0000000	P008689	20.79 22011071 ADOBE AUDITION 1.5 WI
11/10/2004 AP	15114 0000000	P008689	1.66 SALES/USE TAX
11/10/2004 AP	15114 0000000	P008689	3.57 SHIPPING & HANDLING
TOTAL EXPENDITURES FOR 2004		\$ 24,258.83	
8/29/2005 AP	13552 0000000	P011998	1689.48 807693 CDW, PANASONIC TOUGHBOO
8/29/2005 AP	13552 0000000	P011998	37.36 504095 CDW, KENNSINGTON MICROS
8/29/2005 AP	13552 0000000	P011998	10.82 FREIGHT
TOTAL EXPENDITURES FOR 2005		\$ 1,737.66	
5/23/2006 AP	14617 0000000	S005506	5795 LEIGHTRONIX NEXUS EVENT CONTRO
5/23/2006 AP	14617 0000000	S005506	43.04 FREIGHT ON INVOICE 185671
5/23/2006 AP	14617 0000000	S005506	519.59 SALES TAX ON INVOICE 185671
5/23/2006 AP	14617 0000000	S005506	1395 LACIE 300942U 1TB RAID ARRAY
5/23/2006 AP	14617 0000000	S005506	1369 PESA 91906519080 16X16 AUDIO
5/23/2006 AP	14617 0000000	S005506	22.47 FREIGHT ON INVOICE 185421
5/23/2006 AP	14617 0000000	S005506	248 SALES TAX ON INVOICE 185421
5/23/2006 AP	14617 0000000	S005506	130 SONY DVPNS55 DVD PLAYER
5/23/2006 AP	14617 0000000	S005506	11.24 FREIGHT ON INVOICE 185664
5/23/2006 AP	14617 0000000	S005506	12.57 SALES TAX ON INVOICE 185664
5/23/2006 AP	14617 0000000	S005506	3489 NIAGRA 4112RW STREAMING ENCODE
5/23/2006 AP	14617 0000000	S005506	39.08 FREIGHT ON INVOICE 185528
5/23/2006 AP	14617 0000000	S005506	310.52 SALES TAX ON INVOICE 185528
5/26/2006 AP	13552 0000000	P015018	38 459742 CDW, BELKIN 2-PORT KVM
5/26/2006 AP	13552 0000000	P015018	7.99 FREIGHT
5/26/2006 AP	13552 0000000	P015018	3.83 SALES TAX
6/14/2006 AP	15247 0000000	P015401	68.45 KDE1206 SUNON 12V DC FAN FOR

6/14/2006 AP	15247 0000000	P015401	238.58 C2513 SHIELDED AUDIO CABLE AND
6/14/2006 AP	15247 0000000	P015401	1083 LABOR TO PERFORM INSTALLATION
6/14/2006 AP	13552 0000000	P015522	51 947850 CDW, SONY DVD+-RW (R+-D
6/14/2006 AP	13552 0000000	P015522	7.99 FREIGHT
6/14/2006 AP	13552 0000000	P015522	4.91 SALES TAX
8/3/2006 AP	14617 0000000	P016130	240 81906519210 PESA OCELOT MAINFR
8/3/2006 AP	14617 0000000	P016130	128 81906523540 PESA CONNECTOR
8/3/2006 AP	14617 0000000	P016130	8 81902803860 PESA INTERCONNECT
8/3/2006 AP	14617 0000000	P016130	36 81903465080 PESA 1RU BLANK PAN
8/3/2006 AP	14617 0000000	P016130	60 81906519570 PESA POWER SUPPLY
8/3/2006 AP	14617 0000000	P016130	13.4 FREIGHT
8/3/2006 AP	14617 0000000	P016130	42.44 SALES TAX
8/3/2006 AP	14617 0000000	P016130	8 81902414060 PESA REAR BLANK PA
8/31/2006 ID	38390000000		1000 36 Hz Computer from 2005 Spare
TOTAL EXPENDITURES FOR 2006			\$ 16,424.10
7/25/2007 AP	18664 0000000	S007647	4195 MPEG-2 BALANCED AUDIO BUNDLE -
7/25/2007 AP	18664 0000000	S007647	146.3 2ND DAY AIR SHIPPING
8/27/2007 AP	02246 0000000		360.33 USE TAX FOR JULY 2007
11/5/2007 AP	18515 0000000	P025029	312.47 CHANGE ORDER 1 ISSUED FOR
11/5/2007 AP	18515 0000000	P025029	6690.51 CUSTOM REMODEL OF CABLE TV VAN
11/7/2007 AP	15247 0000000	P025372	314.69 YAMAHA MG16/4 AUDIO MIXER FOR
11/7/2007 AP	15247 0000000	P025372	988.26 100' 12 PAIR AUDIO SNAKE -
11/7/2007 AP	15247 0000000	P025372	266.07 DT12f CHASSIS MOUNT TO XLR MAL
11/7/2007 AP	15247 0000000	P025372	314.94 DT12m BREAKOUT BOX - 12 XLR FE
11/7/2007 AP	15247 0000000	P025372	135.74 PEERLESS SF660P UNIV FLAT WALL
11/7/2007 AP	15247 0000000	P025372	94.46 MIDLAND GXT800VP4 26 MILE H2O
11/7/2007 AP	15247 0000000	P025372	710.45 SONY, KDL40V2500 40" FLAT PANE
11/7/2007 AP	15247 0000000	P025372	172.67 DBX 266XL COMPRESSOR/GATE
11/7/2007 AP	15247 0000000	P025372	553.86 YAMAHA MSP5A POWERED SPEAKER
11/7/2007 AP	15247 0000000	P025372	270.41 VIEWSONIC VA903B 19" LCD MONIT
11/7/2007 AP	15247 0000000	P025372	776.49 VIDEOTEK TVM100 RASTERIZING
11/7/2007 AP	15247 0000000	P025372	541.91 TASCAM CD01U CD PLAYER
11/7/2007 AP	15247 0000000	P025372	1026.27 CAMERA CABLES 400' MULTICOAX C
11/7/2007 AP	15247 0000000	P025372	107.51 MIDDLE ATLANTIC D3 3 RACK SPAC
11/7/2007 AP	15247 0000000	P025372	0.02 SALES TAX ADJUSTMENT
11/7/2007 AP	14617 0000000	P025369	226.8 ESE ES-219A-P-P BLACKBURST
11/7/2007 AP	14617 0000000	P025369	807.84 AUDIO TECHNICA AT831R LAVALIE
11/7/2007 AP	14617 0000000	P025369	484.92 AUDIO TECHNICA ATW-3141 WIREL
11/7/2007 AP	14617 0000000	P025369	657.72 SONY LMD 1410 14" LCD MONITO
11/8/2007 AP	15247 0000000	P025372	5430 ENGINEERING LABOR TO INSTALL,
11/8/2007 AP	15247 0000000	P025372	488.7 VIDEO AND AUDIO CABLE, CONNECT
11/9/2007 AP	14617 0000000	P025369	11971.8 SONY BRC300 3CCD PTZ CAMERA
11/9/2007 AP	14617 0000000	P025369	939.6 BOGEN PHOTO, 055XWNB/3273 TRIP
11/9/2007 AP	14617 0000000	P025369	17883.72 BROADCAST PIX SLATE 1000
11/9/2007 AP	14617 0000000	P025369	1392.12 BROADCAST 4 INPUT ANALOG MODU
11/9/2007 AP	14617 0000000	P025369	1240.92 SONY RMBR300 CAMERA REMOTE CON
11/9/2007 AP	14617 0000000	P025369	638.28 BOGEN PHOTO KT-VE104-1 TRIPOD
11/9/2007 AP	14617 0000000	P025369	216 SHIPPING CHARGES NOT TO EXCEED
11/29/2007 AP	14617 0000000	P025369	1456.92 JVC SRVM70US DV/DVD/HDD RECOR
12/3/2007 AP	14617 0000000	P025369	333.72 PELICAN 1660 CAMERA CASE
12/11/2007 AP	14617 0000000	P025369	2118.96 SONY BRBK-301 SDI OUTPUT MODUL
12/11/2007 AP	15247 0000000	P026380	300 CUSTOM BUILT CONNECTOR PANEL F
12/17/2007 AP	18515 0000000	P026483	1718.58 DESIGN AND INSTALLATION OF
12/31/2007 JE	5685		10000 BOOK COST OF #3151 (NEW)
12/19/2007 AP	16941 0000000	P026468	55.56 FED EX GROUND SHIPPING CHARGE
12/19/2007 AP	16941 0000000	P026468	3391.47 MOTO-5751-180V MOTOROLA CANOPY
12/19/2007 AP	16941 0000000	P026468	2022.52 #MOTO-5751SMDD MODULE,5.7 GHZ
12/19/2007 AP	16941 0000000	P026468	31.79 #MOTO-ACPSSW110-13A POWER SUPP
12/19/2007 AP	16941 0000000	P026468	79.48 #MOTO-300SSB SURGE SUPPRESSOR.
12/19/2007 AP	16941 0000000	P026468	0.01 ADJUST SALES TAX
TOTAL EXPENDITURES FOR 2007			\$ 81,865.79
2/21/2008 *	18419 0000000	P027196	699 BUY14 MNJ, BUFFALO TERA STATION

2/21/2008 AP	18419 0000000	P027196	119 DLK00586 MNJ, D-LINK BROADBAND
2/21/2008 AP	18419 0000000	P027196	12.99 SHIPPING
2/21/2008 AP	18419 0000000	P027196	19.98 BUY14 MNJ,BELKIN 10' CAT6 SNAG
3/19/2008 AP	15114 0000000	P027250	32.1 SALES TAX ON INVOICE I145077
3/19/2008 AP	15114 0000000	P027250	401.31 54022975WT ADOBE CS3 Productio
3/19/2008 AP	15114 0000000	P027250	1.5 SALES TAX ON INVOICE I144607
3/19/2008 AP	15114 0000000	P027250	4.59 SHIPPING ON INVOICE I144607
3/19/2008 AP	15114 0000000	P027250	17.64 29600052 ADOBE CD CS3 Producti
3/24/2008 AP	02246 0000000		70.63 USE TAX FOR FEBRUARY 2008
4/7/2008 AP	18925 0000000	P027186	8172.15 1 EA CA-4U22E55 4U Rackmount
4/7/2008 AP	18925 0000000	P027186	103.17 SHIPPING
5/15/2008 AP	15490 0000000	P028879	12.22 SHIPPING
5/15/2008 AP	15490 0000000	P028879	435.95 BALANCED STEREO AUDIO DELAY
5/19/2008 AP	19125 0000000	P028925	10 UPS GROUND
5/19/2008 AP	19125 0000000	P028925	249 DEVICE CONTROL PLUG-IN
5/20/2008 AP	18419 0000000	P028935	106.07 SALES TAX
5/20/2008 AP	18419 0000000	P028935	1278 #VWS1117 ViewSonic VX2435WM
6/26/2008 AP	02246 0000000		37.2 USE TAX FOR MAY 2008
6/26/2008 AP	02246 0000000		21.5 USE TAX FOR MAY 2008
7/31/2008 ID	60540000000		862.61 Work performed by Technical Sv
10/6/2008 AP	15247 0000000	P032445	1233.01 CUSTOM BUILT CAMERA CABLES FOR TRUCK
TOTAL EXPENDITURES FOR 2008			\$ 13,899.62
3/23/2009 AP	14617 0000000	S010437	4709.97 ITEM #LCG5000R RK MT CHAR GEN
3/23/2009 AP	14617 0000000	S010437	514.43 ITEM #RMM-407N 17" LCD RACK M
3/23/2009 AP	14617 0000000	S010437	83.77 SHIPPING
9/14/2009 AP	14649 0000000	S011370	544 BAEP B&H, BARBERTECH EZ PROMPT
9/14/2009 AP	14649 0000000	S011370	1799 TVC22105A B&H, TV ONE DOWN
9/14/2009 AP	14649 0000000	S011370	899 EATD904PSUS B&H, TD904 4-PERSON
9/14/2009 AP	14649 0000000	S011370	444 PEPV20U B&H, PEAVEY PV20 USB
10/22/2009 AP	02246 0000000		305.94 USE TAX FOR SEPTEMBER 2009
TOTAL EXPENDITURES FOR 2009			\$ 9,300.11
6/23/2010 AP	14617 0000000	S012383	3816.34 CABLE COMMUNICATIONS DIGITAL UPGRADE PROJECT
6/23/2010 AP	14617 0000000	S012383	58771.8 CABLE COMMUNICATIONS DIGITAL UPGRADE PROJECT
6/23/2010 AP	14617 0000000	S012383	79675.97 CABLE COMMUNICATIONS DIGITAL UPGRADE PROJECT
7/9/2010 AP	14617 0000000	S012383	19985.59 CABLE COMMUNICATIONS DIGITAL UPGRADE PROJECT
7/9/2010 AP	14617 0000000	S012383	2229.22 CABLE COMMUNICATIONS DIGITAL UPGRADE PROJECT
7/9/2010 AP	14617 0000000	S012383	227.26 CABLE COMMUNICATIONS DIGITAL UPGRADE PROJECT
8/11/2010 AP	14617 0000000	S012383	55260.5 CABLE COMMUNICATIONS DIGITAL UPGRADE PROJECT
10/25/2010 AP	15481 0000000	P045710	83.76 SALES TAX
10/25/2010 AP	15481 0000000	P045710	1009.2 Evolution 2000 VA Rackmount UPS
12/13/2010 AP	08134 0000000		1039.96 NEWEGG-4 MEMORY KITS
12/13/2010 AP	08134 0000000		2015.68 DMI DELL K-12/GOVT - Purchase
12/25/2010 AP	02246 0000000		86.32 USE TAX FOR NOVEMBER 2010
TOTAL EXPENDITURES FOR 2010			\$ 224,201.60
3/3/2011 AP	14617 0000000	S012383	37405.64 CABLE COMMUNICATIONS DIGITAL UPGRADE PROJECT
5/18/2011 AP	14617 0000000	S012383	5669.1 CABLE COMMUNICATIONS DIGITAL UPGRADE PROJECT
8/16/2011 AP	14617 0000000	S012383	3084.07 CABLE COMMUNICATIONS DIGITAL UPGRADE PROJECT
12/29/2011 AP	14617 0000000	S012383	8490.41 CABLE COMMUNICATIONS DIGITAL UPGRADE PROJECT
TOTAL EXPENDITURES FOR 2011			\$ 54,649.22
NO CAPITAL EXPENDITURES FOR 2012			
TOTAL EXPENDITURES			\$ 432,624.85
TOTAL RESERVE FUNDS AVAILABLE			\$ 512,000.00
RESERVE BALANCE AS OF 12/31/2012			\$ 79,375.15

Cable Communication Reserve

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
<u>Revenue</u>												
001-3671 Capital Con/Charter	12,500.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	512,500.00
	12,500.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	512,500.00
<u>Expenditures</u>												
001-202-0016-557210-6401												
5/22/2003 PD 150 Sony DVCamc	0.00	2,542.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,542.87
1/30/2003 Sony DXF	0.00	3,745.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,745.05
001-112-0016-557210-6480	0.00	0.00	3,735.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,735.27
001-112-0016-557210-6405	0.00	0.00	0.00	0.00	0.00	10,000.00	0.00	0.00	0.00	0.00	0.00	10,000.00
001-112-0016-557210-6401	0.00	0.00	0.00	0.00	0.00	64,887.30	0.00	0.00	0.00	0.00	0.00	64,887.30
001-112-0016-557210-6414	0.00	0.00	20,523.56	1,737.66	0.00	6,978.49	13,899.62	0.00	0.00	0.00	0.00	43,139.33
001-112-0016-557210-6415	0.00	0.00	0.00	0.00	16,424.10	0.00	0.00	9,300.11	224,201.60	54,649.22	0.00	304,575.03
Total Expenditures	0.00	6,287.92	24,258.83	1,737.66	16,424.10	81,865.79	13,899.62	9,300.11	224,201.60	54,649.22	0.00	432,624.85
Total Revenues Over (Under)	12,500.00	43,712.08	25,741.17	48,262.34	33,575.90	(31,865.79)	36,100.38	40,699.89	(174,201.60)	(4,649.22)	50,000.00	79,875.15
Total Expenditures for Division	0.00	6,287.92	24,258.83	1,737.66	16,424.10	81,865.79	13,899.62	9,300.11	224,201.60	54,649.22	0.00	432,624.85
Plus Carry Overs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	67,705.00	(67,705.00)	0.00	0.00
Cablecasting Expenditures	0.00	6,287.92	24,258.83	1,737.66	16,424.10	81,865.79	13,899.62	9,300.11	291,906.60	(13,055.78)	0.00	432,624.85
Revised Reserve Balance	12,500.00	43,712.08	25,741.17	48,262.34	33,575.90	(31,865.79)	36,100.38	40,699.89	(174,201.60)	(4,649.22)	50,000.00	79,875.15

City of Richland
2013 Cable Communications Expenses

Date	Vendor	PO number	Amount	Description
1/8/2013 AP	14617 0000000	P052160	\$ 3,273.88	REPAIR OF SONY PMW320K FIELD C\$
2/19/2013 AP	14617 0000000	P052280	1,838.93	HD/SD/ CAPTURE CARD ITEM\$
2/19/2013 AP	14617 0000000	P052280	19.81	FREIGHT
3/5/2013 AP	08134 0000000		\$ 2,199.98	DELITASOFTW - ADOBE CS6 LICENS
3/5/2013 AP	08134 0000000		\$ 2 ,204.74	WWW.NEWEGG.COM - Purchase
3/5/2013 AP	08134 0000000		\$ 2,055.53	APPLE ONLINE/MONITORS
3/5/2013 AP	08134 0000000		\$ 242.59	APPLE ONLINE/MAC PRO
3/5/2013 AP	08134 0000000		\$ 9,792.60	APPLE ONLINE/MAC PROS
3/5/2013 AP	08134 0000000		\$ 719.00	APPLE ONLINE
3/5/2013 AP	08134 0000000		\$ 242.59	APPLE ONLINE/MAC PRO
3/5/2013 AP	08134 0000000		\$ 54.14	APL APPLE ITUNES STORE-SOFTWAR
3/5/2013 AP	08134 0000000		\$ 324.89	APPLE ITUNES STORE-SOFTWARE
3/5/2013 AP	08134 0000000		\$ 54.14	APPLE ITUNES STORE-SOFTWARE
4/2/2013 AP	14617 0000000	P052357	\$ 20.91	FREIGHT
4/2/2013 AP	14617 0000000	P052357	\$ 2,597.03	PANASONIC BTLH1710Y LCD HD/SD
4/24/2013 AP	02246 0000000		\$ 182.60	USE TAX FOR MARCH 2013
4/24/2013 AP	02246 0000000		\$ 183.00	USE TAX FOR MARCH 2013
Total expenses below capitalization threshold			<u>\$ 26,006.36</u>	
6/25/2013 AP	51257 0000000	P052652	\$ 150.00	SHIPPING
6/25/2013 AP	51257 0000000	P052652	\$ 10,830.00	CASTUS QUICKROLL VERISION 4.0
8/20/2013 AP	14617 0000000	P052868	\$ 118.05	ADDONICS MSCFAE3U SSDE CARD RE
8/20/2013 AP	14617 0000000	P052868	\$ 19.24	SHIPPING
8/20/2013 AP	14617 0000000	P052868	\$ 342.23	SONY SBACUS20 SXS USB CARD REA
8/20/2013 AP	14617 0000000	P052868	\$ 11.25	SHIPPING
8/20/2013 AP	14617 0000000	P052868	\$ 771.10	HANNG HL161ABB 16x9 VGA MONITO
8/20/2013 AP	14617 0000000	P052868	\$ 37.76	SHIPPING
8/20/2013 AP	14617 0000000	P052868	\$ 3,605.31	JVC BLU-RAY HDD SDI RECORDER
8/20/2013 AP	14617 0000000	P052868	\$ 39.01	SHIPPING
8/20/2013 AP	14617 0000000	P052868	\$ 2,032.79	BLACKMAGIC HYPERDECK STUDIO PR
8/20/2013 AP	14617 0000000	P052868	\$ 55.57	SHIPPING
8/20/2013 AP	14617 0000000	P052868	\$ 14,002.11	BROADCAST PIX SLATE TO MICA UP
8/20/2013 AP	14617 0000000	P052868	\$ 1,841.10	SANDISK SDSSDX-480G25 480GB SS
8/20/2013 AP	14617 0000000	P052868	\$ 302.16	TECNEC FBS-1F-27 75 FT AUDIO S
8/20/2013 AP	14617 0000000	P052868	\$ 202.42	SHIPPING
8/20/2013 AP	14617 0000000	P052868	\$ 11,303.27	SONY HD PTZ CAMERA BRCZ330
8/20/2013 AP	14617 0000000	P052868	\$ 5,019.71	HDSOI OUTPUT CARDS BRBKHDS2
8/20/2013 AP	14617 0000000	P052868	\$ 167.02	SHIPPING
8/20/2013 AP	14617 0000000	P052868	\$ 1,292.02	SHURE SCM-810 8 CHANNEL AUTO M
8/20/2013 AP	14617 0000000	P052868	\$ 28.63	SHIPPING
8/20/2013 AP	14617 0000000	P052868	\$ 2,868.87	IKAN CHRB3521 5 LIGHT CHROMA K
8/20/2013 AP	14617 0000000	P052868	\$ 539.33	TECHNEC FPMG-8600A LCDTV CART
8/20/2013 AP	14617 0000000	P052868	\$ 175.35	SHIPPING
8/20/2013 AP	14617 0000000	P052868	\$ 28.53	SHIPPING

City of Richland
2013 Cable Communications Expenses

Date	Vendor	PO number	Amount	Description
8/20/2013 AP	14617 0000000	P052868	\$ (0.01)	ADJUST FOR TAX
8/20/2013 AP	14617 0000000	P052868	\$ 537.17	SCEPTRE X325BV-FHD LCD MONITOR
8/20/2013 AP	14617 0000000	P052868	\$ 0.01	ADJUST SALES TAX
11/4/2013 AP	15247 0000000	P052869	\$ 810.27	STUDIO CURTAIN SYSTEM
11/4/2013 AP	15247 0000000	P052869	\$ 208.60	ASUS 22" CLASS LED MONITOR
11/4/2013 AP	15247 0000000	P052869	\$ 259.79	OCEAN METRIX TO HDMI CONVERTER
11/4/2013 AP	15247 0000000	P052869	\$ 8,447.40	ENGINEERING & INSTALLATION OF
11/4/2013 AP	15247 0000000	P052869	\$ 643.30	MISC. CABLES, CONNECTORS & MAT
11/22/2013 AP	14617 0000000	P053397	\$ (537.17)	CREDIT FOR RETURNED FHD32"
11/22/2013 AP	14617 0000000	P053397	\$ 0.01	ADJUST FOR TAX
11/22/2013 AP	14617 0000000	P053397	\$ 972.53	CW46T9FW 46" STUDIO LCDTV
11/22/2013 AP	14617 0000000	P053397	\$ 177.61	OMX-SDI-HDMI SDI TO HDMI CONVE
11/22/2013 AP	14617 0000000	P053397	\$ 19.40	DROP SHIPPING FOR HDMI CONVERT
Total capitalized expenses			<u>\$ 67,321.74</u>	
TOTAL 2013 EXPENSES			<u><u>\$ 93,328.10</u></u>	